HOUSE OF REPRESENTATIVES—*Friday, October 14, 1977*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The righteous shall be glad in the Lord, and shall trust in Him.—Psalms 64:10.

Our Father God, we offer unto Thee the gratitude of our hearts for Thy goodness to us and we pray that Thou will grant unto us, the Representatives of our people, the wisdom we need that with understanding and positive thinking we may make sound decisions and pass just laws for the benefit of our Nation.

Give to us strength of body, clarity of mind, and health of spirit which will enable us to face the challenges of this day with courage and live through the troubles of these times with faith and hope. In times of doubt give us light; in periods of despair give us life; and in moods of discouragement give us love that we may make this day a better day for our people and every tomorrow a better day for all Thy children. In the spirit of Him who gives life to all we pray. 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 disagrees to the amendments of the House to the amendment of the Senate to the bill (H.R. 4018) entitled "An act to suspend until the close of June 30, 1980, the duty on certain doxorubicin hydrochloride antibiotics," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. JOHNSTON, Mr. DURKIN, Mr. METCALF, Mr. HASKELL, Mr. BUMPERS, Mr. METZENBAUM, Mr. MCCLURE, Mr. BARTLETT, Mr. DOMENICI, and Mr. LAXALT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the amendments of the Senate numbered 3 to the bill (H.R. 5037) entitled "An act for the relief of Jack Misner," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON. Mr. JOHNSTON, Mr. DURKIN, Mr. METCALF, Mr. HASKELL, Mr. BUMPERS, Mr. METZENBAUM, Mr. HATFIELD, Mr. MCCLURE, Mr. WEICKER, and Mr. DOMENICI to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the amendment of the Senate numbered 6 to the bill (H.R. 5146) entitled "An act to amend the Tariff Schedules of the United States to provide for the duty-free entry of competition bobsleds and luges," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. HASKELL, Mr. FORD, Mr. JOHNSTON, Mr. ABOUREZK, Mr. DURKIN, Mr. METZENBAUM, Mr. MCCLURE, Mr. BARTLETT, Mr. DOMENICI, and Mr. LAXALT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the amendment of the Senate numbered 8 to the bill (H.R. 5289) entitled "An act for the relief of Joe Cortina of Tampa, Florida," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. CHURCH, Mr. METCALF, Mr. JOHNSTON, Mr. ABOUREZK, Mr. HASKELL, Mr. BUMPERS, Mr. FORD, Mr. DURKIN, Mr. METZENBAUM, Mr. MATSUNAGA, Mr. HANSEN, Mr. HATFIELD, Mr. MCCLURE, Mr. BARTLETT, Mr. WEICKER, Mr. DOMENICI, and Mr. LAXALT to be the conferees on the part of the Senate.

THIRTIETH ANNIVERSARY OF BREAKING THE SOUND BARRIER

Mr. DORNAN. Mr. Speaker, today, I would like to salute a remarkable American and a remarkable Air Force. Thirty years ago today, Capt. Charles E. "Chuck" Yeager climbed into the Bell XS–1 rocket powered research plane at Muroc, Calif., now Edwards AFB, and took a historic flight for his service, his country, the world. That day, he became the first man to fly faster than the speed of sound.

While he eventually became a national hero because of that flight, recognition of his great feat was delayed because the flight was classified. Only a few knew of his bravery or of the accomplishment of our Air Force. Fewer still knew that Yeager had broken three ribs in an accident the day before the flight, kept it to himself and obtained a special device to enable him to close the X–1's door.

As his military records reflect, now-General Yeager has always shown great courage and heroism in both war and peace. That first supersonic flight was as meaningful as any in winged flight because it was truly a step into the unknown—a world Chuck Yeager has never feared.

His exploits make him one of America's most honored fliers. A double ace in World War II with 13 victories, General Yeager has flown more than 10,000 hours in 155 different types of aircraft. During 9 years as the Nation's leading test pilot he also became the first man to fly mach 2 in the Bell X–1A on December 12, 1953.

General Yeager has received all of his country's top awards for contributions to the history of flight, including the Collier, Mackay, and Harmon trophies.

On December 14, 1973, at age 50, he became the youngest and first military person on active duty ever to be enshrined in the Aviation Hall of Fame.

On February 28, 1975, Chuck retired after 34 years of service. On December 23, 1975, the President, on behalf of the Congress, presented him with a special medal for his historic flight in the Bell XS–1 rocket which now hangs next to Lindbergh's *Spirit of St. Louis* in the National Air and Space Museum.

After President Ford so honored Chuck this airman without peer indicated his desire to retire to his home in Indio.

After all, General Yeager has earned his right to relax in the Sun.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO MEET TODAY DURING 5-MINUTE RULE

Mr. ZEFERETTI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries may be permitted to meet today during the 5-minute rule to have a hearing on H.R. 9518, to amend the Shipping Act, 1916, to provide for a 3-year period, to reach a permanent solution of the rebating practices in the United States foreign trade.

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

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT TODAY DURING 5-MINUTE RULE

Mr. ZEFERETTI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce may be permitted to sit today during the 5-minute rule.

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

There was no objection.

AUTHORIZING SPEAKER TO APPOINT RESIDENT COMMISSIONER FROM PUERTO RICO TO SELECT COMMITTEE ON POPULATION

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint the Resident Commissioner from Puerto Rico as one of the members of the Select Committee on Population authorized by House Resolution 70.

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

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I am not certain I heard the gentleman. I wonder if the

gentleman could tell us what committee this is?

Mr. WRIGHT. Mr. Speaker, it is the Select Committee on Population.

The SPEAKER. It is an appointment to the Select Committee on Population.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

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

There was no objection.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON POPULATION

The SPEAKER. Pursuant to the provisions of House Resolution 70, 95th Congress, and the authority of the House just granted, the Chair appoints as members to the Select Committee on Population the following Members and Resident Commissioner from Puerto Rico: Mr. SCHEUER, New York, chairman; Mr. HARRINGTON; Mrs. COLLINS of Illinois; Mr. NEAL; Mr. RICHMOND; Mr. SIMON; Mr. AKAKA; Mr. BEILENSON; Mr. GEPHARDT; Mr. KILDEE; Mr. CORRADA; Mr. ERLENBORN; Mr. MCCLOSKEY; Mr. KINDNESS; Mr. HOLLENBECK; and Mr. STOCKMAN.

CONFERENCE REPORT ON H.R. 6415, EXPORT-IMPORT BANK ACT EXTENSION TO SEPTEMBER 30, 1978

Mr. NEAL. Mr. Speaker, I call up the conference report on the bill (H.R. 6415) to extend and amend the Export-Import Bank Act of 1945, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 26, 1977.)

Mr. NEAL (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

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

There was no objection.

The SPEAKER. The gentleman from North Carolina (Mr. NEAL) and the gentleman from Ohio (Mr. STANTON) will will be recognized for 30 minutes each.

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

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

Mr. Speaker, the conference report on H.R. 6415 retains almost all the provisions of the bill the House passed in May by a 281 to 126 vote. It deserves our full support.

I would like to take a few minutes to explain the need for this legislation and the few changes that were made in conference. The Eximbank is the official export credit institution of the United States. All the major trading nations have similar institutions or programs, some of which are heavily subsidized.

Exim's function is to foster the expansion of U.S. exports by extending credit and guaranteeing loans in support of export sales. Since it lends at market-related rates, it makes a profit and pays its own way. It has a beneficial effect on our balance of trade and was responsible for 500,000 U.S. jobs in 1977.

The Bank requires a 3-month extension of its charter—from June 30, 1978, to September 30, 1978—in order to bring its programs in line with the recently revised fiscal year. This provision of H.R. 6415 was agreed to by the Senate.

The need for a 3-month extension gave us an opportunity to deal with other issues such as human rights, nuclear exports and subsidized export financing that are simply too important to wait until next year, when the Bank will require a charter renewal and new commitment authority.

The human rights provision of H.R. 6415 was designed to insure that the Bank's actions are consistent with U.S. human rights policy. The provision recognized that the Bank is not an aid program, but a trade promotion institution. It called on Exim's Board of Directors to "take account" of the human rights situation in the country to receive the Exim-supported exports and also of the effect the export itself would have on the human rights situation.

This provision was accepted in principle by the Senate, but altered slightly in conference to make clear that the Bank should rely on the State Department for advice on human rights rather than make its own determination. The Bank has already begun to act in accordance with the intent of this amendment. The Department of State reviews proposed Bank credits from a U.S. foreign policy perspective, including a human rights consideration. H.R. 6415 insures that Eximbank actions will continue to be consistent with U.S. human rights policy.

The House-passed provision concerning international competition in export financing was revised slightly in conference to mandate the Bank to cooperate with other U.S. Government agencies in international negotiations directed toward reciprocal reduction of Government-subsidized export financing. The Bank is already engaged in negotiations toward reducing international competition in export financing. The conferees deleted language which could have been misconstrued to imply a desire for unilateral reduction in U.S. export financing.

All but one of several House-passed provisions concerning nuclear exports were accepted by the conferees. The conference provisions would: Require Exim to bring any nuclear-related loan to Congress for the same 25-day consideration period that loans over $60 million must now pass; mandate that any country which materially violates U.S. or International Atomic Energy Agency (IAEA) safeguards, or detonates a nuclear device—except the United States, Britain, France, China, and Russia—shall receive no more Exim support, unless the President waives the prohibition for "national interest" reasons; and prohibit the Bank from supporting the export of liquid metal fast breeder nuclear reactors and nuclear fuel reprocessing plants, neither of which has ever been exported.

The House provision requiring advance consultation between Congress, and the Secretary of State and the Director of the Arms Control and Disarmament Agency before any proposed Eximbank financing of nuclear exports has been replaced by language in the report. The administration agreed to conduct such consultations upon request by the appropriate committees or subcommittees of Congress. Letters to that effect are appended to the conference report.

This legislation is supported by the Eximbank, and the State and Treasury Departments. It was cosponsored by all 19 members of our International Trade Subcommittee and passed the Banking Committee with only one dissenting vote. It passed the House by over a 2 to 1 margin, and the Senate without objection. The conference report deserves our full support.

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

Mr. Speaker, I rise to urge my colleagues to support the conference report before us.

This is in fact quite a noncontroversial conference report. In the bill, which you will remember we passed handily under suspension of the rules, the Congress takes care of minor technical problems in the U.S. Export-Import Banks authorization legislation.

The main purpose of H.R. 6415 is to extend the Export-Import Bank Act of 1945, as amended, from June 30, 1978, to September 30, 1978, in order to bring the Bank's statutory operating authority into line with the fiscal year. When the Export-Import Bank Act was last extended, the fiscal year ended on June 30; since the fiscal year has now been changed to end on September 30, the expiration date of the Export-Import Bank Act required changing as well. The House and the other body were in agreement on the need for this 3-month extension of the Bank's authority.

The difference between the House and the other version arose from the inclusion by the House in this extension bill of substantive amendments concerning human rights, international export financing competition, and antinuclear proliferation policy. The other body deleted these sections from H.R. 6415 on the grounds that such amendments could be considered when a bill to approve a multiyear extension of the Eximbank is before Congress. The House refused to give up its amendments and a conference was called.

Following consultations with our colleagues in the other body, we agreed to some modifications in the House language to satisfy a few valid objectives which they raised. There are only three such changes.

First, in the human rights section, we changed the language slightly to make sure it was understood that the Export-

Import Bank was to rely on the State Department for information on whether the proposed Exim transaction involves a human rights violating country. We believe the new language is absolutely clear. My colleagues would be interested to know that the Eximbank on its own has begun submitting proposed projects to the State Department for guidance on human rights conditions in anticipation of this legislation.

Second, the conferees cleared up a section of the bill which could have been wrongly construed as requiring Exim to unilaterally reduce its official export financing. In the revised language, Exim is required to continue its negotiations with other countries to reduce their export subsidies.

Finally, in the realm of financing nuclear power exports, the conferees agreed to scrap the somewhat cumbersome consultation process. The original language would have required a meeting between a State Department representative, an Arms Control and Disarmament Agency representative, and the Congress. The committee has now received letters from State and the Arms Control Agency expressing their willingness to consult with us whenever there is a question about the nuclear proliferation aspects of any Eximbank transaction.

All conferees have signed this conference report and it enjoys the support of the administration and the Export-Import Bank. Again, let me remind my colleagues that the Export-Import Bank will be before the Congress again next year for its multiyear authorization. We have already begun a thorough review of the Eximbank's policies in anticipation of our hearings early next year.

I urge support for this conference report.

Mr. ROUSSELOT. Mr. Speaker, I have serious misgivings regarding this legislation. It is important, as the House recognized, that any extension of the Export-Import Bank Act be coupled with a determined effort to achieve, through international negotiations, the elimination of "all forms of government supported export financing." The conference report provides a mandate for such negotiations to proceed, and I would hope that the U.S. Government will work vigorously to negotiate the necessary agreements without undue delay.

I believe that the conference report language on human rights has several significant shortcomings:

One. The committee of conference deleted the requirement that the Export-Import Bank take into account "all available information" concerning human rights conditions in the country which receives assisted exports. I believe it is desirable to insure that the Bank would consider views from all available sources which might bear on the human rights implications of exports and that "principal" reliance upon the Department of State may reduce the ability of the Bank to make a fully informed judgment on the merits of a loan.

Two. The deletion of the reference to "fundamental freedoms" is unfortunate. Although I would agree that "fundamental freedoms" could be said to be encompassed within the term "human rights," if we are sincerely interested in promoting the cause of human rights, we should take every opportunity to explain what we consider the term to mean, so that "human rights" cannot be interpreted in any manner which would be inconsistent with the total disregard for fundamental freedoms by the governments of such countries as the Soviet Union, Communist China, and Uganda.

Three. Finally, it is unfortunate that the Bank will no longer be required, but will only be permitted, to take the human rights situation in a given country into account in determining whether to assist exports to that country. The conference report states that:

> The reason for this change is that, the conferees recognize that the effect of the exports on human rights cannot be predicted with certainty and precision, and therefore, prefer language which reflects such indeterminacy.

I do not believe that the fact that human rights effects canot be predicted precisely is a sufficient excuse for relieving the Export-Import Bank of the duty to take human rights considerations into account.

In my opinion none of the above changes does anything to advance the cause of human rights for which the Carter administration so loudly proclaims its commitment at the same time that it quietly accepts weakening amendments.

Mr. REUSS. Mr. Speaker, as one of the seven House conferees on H.R. 6415, I rise in support of the conference report. The Senate adopted virtually all of the House-passed bill, which was approved in May by a 281 to 126 vote. The bill was sponsored by all 19 members of the Subcommittee on International Trade, Investment and Monetary Policy. Mr. Neal, the subcommittee chairman, is to be congratulated for his leadership in getting such wide-ranging support for the legislation, as is Mr. STANTON of Ohio, the ranking minority member, who has also done an outstanding job.

The House and Senate conferees were in agreement on the need to extend the Export-Import Bank Act of 1945, as amended, from June 30, 1978, to September 30, 1978, in order to have the Bank's authority coincide with the fiscal year.

The disagreements on House provisions concerning human rights, nonproliferation policy, and international export credit competition were resolved by compromise language that clarifies the intent of the House on these provisions. The conference report on the bill insures that Eximbank loans and guarantees are consistent with U.S. policy on human rights and nuclear powerplant financing without imposing additional burdens on the Bank's staff.

Exim is mandated to get human rights clearance on its transactions from the State Department—which it is already doing. On nuclear-related Exim exports, the State Department and Arms Control and Disagreement Agency have agreed in letters to conduct thorough consultations upon the request of the appropriate committees or subcommittees. The conference report, like the House-passed bill, also requires that the Bank increase its efforts to achieve reciprocal international reductions in Government-supported export financing.

The legislation is supported by Exim and the Treasury and State Departments. It has already been overwhelmingly approved by the House and the Senate. I support this report as submitted by the conference committee and urge my colleagues to do the same.

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

Mr. NEAL. Mr. Speaker, I have no further requests for time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

Mr. ASHBROOK. 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 281, nays 62, not voting 91, as follows:

[Roll No. 654]

YEAS—281

Akaka	Corman	Grassley
Alexander	Cornell	Gudger
Allen	Cornwell	Hagedorn
Ambro	Cotter	Hall
Ammerman	Coughlin	Hamilton
Anderson, Calif.	D'Amours	Hanley
	Daniel, Dan	Hannaford
Andrews, N. Dak.	Daniel, R. W.	Harris
	de la Garza	Hawkins
Annunzio	Delaney	Hefner
Applegate	Dellums	Heftel
Ashley	Derrick	Hightower
Aspin	Derwinski	Hillis
Baldus	Dicks	Horton
Barnard	Dingell	Howard
Baucus	Downey	Hubbard
Beard, R.I.	Drinan	Huckaby
Bedell	Eckhardt	Hughes
Benjamin	Edgar	Hyde
Bennett	Edwards, Ala.	Ireland
Bevill	Edwards, Calif.	Jeffords
Blanchard	Eilberg	Jenkins
Blouin	English	Jones, N.C.
Boggs	Erlenborn	Jones, Okla.
Boland	Ertel	Jones, Tenn.
Bonior	Evans, Del.	Jordan
Bonker	Evans, Ga.	Kastenmeier
Brademas	Evans, Ind.	Kazen
Breaux	Fary	Kildee
Breckinridge	Fascell	Kostmayer
Brinkley	Fenwick	Krebs
Brodhead	Findley	LaFalce
Broomfield	Fish	Le Fante
Brooks	Flippo	Leach
Brown, Calif.	Flood	Lederer
Brown, Mich.	Florio	Leggett
Broyhill	Flowers	Lehman
Burlison, Mo.	Foley	Lent
Burton, Phillip	Ford, Tenn.	Levitas
Butler	Forsythe	Lloyd, Calif.
Carney	Fountain	Long, La.
Carr	Fraser	Long, Md.
Cavanaugh	Frenzel	Lott
Cederberg	Fuqua	Luken
Chappell	Gammage	Lundine
Chisholm	Gaydos	McClory
Cleveland	Gibbons	McCloskey
Cochran	Gilman	McCormack
Cohen	Ginn	McDade
Coleman	Glickman	McEwen
Conable	Gonzalez	McFall
Conte	Gore	McHugh
Corcoran	Gradison	McKinney

Madigan	Pattison	Steers
Mahon	Pease	Steiger
Markey	Perkins	Stockman
Martin	Pettis	Stokes
Mathis	Pike	Stratton
Mattox	Preyer	Studds
Mazzoli	Price	Stump
Meeds	Pritchard	Teague
Meyner	Quie	Thompson
Michel	Railsback	Thone
Mikulski	Rangel	Thornton
Mikva	Regula	Trible
Milford	Rhodes	Tsongas
Minish	Richmond	Tucker
Mitchell, Md.	Rinaldo	Udall
Mitchell, N.Y.	Rodino	Vander Jagt
Moffett	Rogers	Vanik
Mollohan	Rooney	Vento
Montgomery	Rosenthal	Waggonner
Moore	Ruppe	Walgren
Moorhead, Calif.	Ryan	Walsh
	Sarasin	Wampler
Moorhead, Pa.	Sawyer	Watkins
Murphy, Ill.	Scheuer	Weiss
Murphy, Pa.	Schroeder	White
Murtha	Sebelius	Whitehurst
Myers, Michael	Seiberling	Whitley
Natcher	Sharp	Whitten
Neal	Shipley	Wilson, Bob
Nedzi	Sikes	Wilson, C. H.
Nichols	Simon	Winn
Nix	Skelton	Wirth
Nolan	Skubitz	Wright
Nowak	Smith, Iowa	Wydler
O'Brien	Smith, Nebr.	Wylie
Oakar	Solarz	Yates
Oberstar	Spellman	Yatron
Obey	St Germain	Young, Fla.
Ottinger	Staggers	Young, Tex.
Panetta	Stangeland	Zablocki
Patten	Stanton	Zeferetti
Patterson	Stark	

NAYS—62

Abdnor	Fithian	Myers, Gary
Archer	Flynt	Myers, John
Armstrong	Hammer-schmidt	Poage
Ashbrook		Pressler
Badham	Hansen	Quayle
Bauman	Harsha	Quillen
Burgener	Holt	Risenhoover
Burke, Fla.	Holtzman	Roberts
Burleson, Tex.	Ichord	Robinson
Byron	Jenrette	Rousselot
Caputo	Kasten	Satterfield
Carter	Kelly	Schulze
Collins, Tex.	Ketchum	Shuster
Davis	Kindness	Snyder
Devine	Lagomarsino	Spence
Dickinson	Latta	Symms
Dornan	Lloyd, Tenn.	Taylor
Duncan, Tenn.	McDonald	Traxler
Early	Marlenee	Volkmer
Edwards, Okla.	Miller, Ohio	Walker
Emery	Mottl	Weaver

NOT VOTING—91

Addabbo	Fisher	Moakley
Anderson, Ill.	Ford, Mich.	Moss
Andrews, N.C.	Fowler	Murphy, N.Y.
AuCoin	Frey	Pepper
Badillo	Gephardt	Pickle
Bafalis	Giaimo	Pursell
Beard, Tenn.	Goldwater	Rahall
Beilenson	Goodling	Reuss
Biaggi	Guyer	Roe
Bingham	Harkin	Roncalio
Bolling	Harrington	Rose
Bowen	Heckler	Rostenkowski
Brown, Ohio	Holland	Roybal
Buchanan	Hollenbeck	Rudd
Burke, Calif.	Jacobs	Runnels
Burke, Mass.	Johnson, Calif.	Russo
Burton, John	Johnson, Colo.	Santini
Clausen, Don H.	Kemp	Sisk
	Keys	Slack
Clawson, Del	Koch	Steed
Clay	Krueger	Treen
Collins, Ill.	Livingston	Ullman
Conyers	Lujan	Van Deerlin
Crane	McKay	Waxman
Cunningham	Maguire	Whalen
Danielson	Mann	Wiggins
Dent	Marks	Wilson, Tex.
Diggs	Marriott	Wolff
Dodd	Metcalfe	Young, Alaska
Duncan, Oreg.	Miller, Calif.	Young, Mo.
Evans, Colo.	Mineta	

The Clerk announced the following pairs:

Mr. Dent with Mr. Anderson of Illinois.
Mr. Addabbo with Mr. Frey.
Mr. Koch with Mr. Pursell.
Mr. Bingham with Mr. Bafalis.
Mr. Murphy of New York with Mr. Goldwater.
Mrs. Burke of California with Mr. Rudd.
Mr. Biaggi with Mr. Beard of Tennessee.
Mr. AuCoin with Mr. Young of Alaska.
Mr. Badillo with Mr. Whalen.
Mr. Giaimo with Mr. Wiggins.
Mr. Fowler with Mr. Del Clawson.
Mr. Pickle with Mr. Crane.
Mr. Steed with Mr. Kemp.
Mr. Slack with Mrs. Heckler.
Mr. Wolff with Mr. Livingston.
Mr. Waxman with Mr. Lujan.
Mr. Mineta with Mr. Cunningham.
Mr. Moakley with Mr. Gephardt.
Mr. Miller of California with Mr. Guyer.
Mr. Diggs with Mr. Hollenbeck.
Mr. Bowen with Mr. Marriott.
Mr. Harrington with Mr. Roncalio.
Mr. Jacobs with Mr. Krueger.
Mrs. Keys with Mr. Marks.
Mr. Mann with Mr. McKay.
Mr. Van Deerlin with Mr. Metcalfe.
Mr. Ullman with Mr. Charles Wilson of Texas.
Mr. Santini with Mr. Treen.
Mr. Russo with Mr. Sisk.
Mr. Rostenkowski with Mr. Roe.
Mr. Reuss with Mr. Holland.
Mr. Rose with Mr. Johnson of Colorado.
Mr. Moss with Mr. Brown of Ohio.
Mr. Runnels with Mr. Beilenson.
Mr. Roybal with Mr. Buchanan.
Mr. Danielson with Mr. Clay.
Mr. Burke of Massachusetts with Mr. Duncan of Oregon.
Mrs. Collins of Illinois with Mr. Dodd.
Mr. John L. Burton with Mr. Don H. Clausen.
Mr. Conyers with Mr. Fisher.
Mr. Evans of Colorado with Maguire.
Mr. Pepper with Mr. Rahall.
Mr. Harkin with Mr. Johnson of California.
Mr. Ford of Michigan with Mr. Young of Missouri.
Mr. Andrews of North Carolina with Mr. Goodling.

Mr. STANGELAND and Mr. APPLEGATE changed their vote from "nay" to "yea."

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

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DIRECTING CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 6415, EXPORT-IMPORT BANK ACT EXTENSION TO SEPTEMBER 30, 1978.

Mr. NEAL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 46) providing for corrections to be made in the enrollment of the bill (H.R. 6415) to extend and amend the Export-Import Bank Act of 1945.

The Clerk read the title of the Senate concurrent resolution.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 46

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representative, in the enrollment of the bill (H.R. 6415) to extend and amend the Export-Import Bank Act of 1945, shall make the following correction:

At the beginning of the bill, strike out "That".

At the end of the bill, strike out "8 of the Export-Import Bank Act of 1945 is amended by striking out 'June 30' and inserting in lieu thereof 'September 30'.".

The SPEAKER. The gentleman from North Carolina (Mr. NEAL) is recognized for 1 hour.

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

Mr. Speaker, Senate Concurrent Resolution 46 is simply a technical measure that corrects the conference report on H.R. 6415, a bill to extend and amend the Export-Import Bank Act of 1945. The correction is necessary because a provision not in dispute between the House and Senate was inadvertently included in the conference report on H.R. 6415. If the bill were to be enrolled as it stands, two identical and duplicative provisions would appear in the statute. I have cleared this measure with our ranking minority member, Mr. STANTON.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEAL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 6415, to extend and amend the Export-Import Bank Act of 1945.

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

There was no objection.

CAPABLE STAFF MAKES QUICK ACTION POSSIBLE

Mr. MAHON. Mr. Speaker, comments in the press and otherwise today suggest that the House of Representatives moved with lightning speed in passing a continuing resolution avoiding a payless payday for thousands of Federal workers.

That was indeed the case, Mr. Speaker, and I think it would be appropriate at this time to pay tribute to the unexcelled staff which made this highly technical and complicated resolution and floor action possible.

The chief staff person responsible for preparing the continuing resolution was Keith Mainland, clerk and staff director of the Committee on Appropriations. With the assistance of other members of the committee staff, staff of the leadership, the House Parliamentarians, and the staff of the Senate Appropriations Committee, this whole process was made possible in less than a 24-hour period.

Mr. Speaker, the criticism is frequently made that there is too much staff on Capitol Hill, and without doubt that is true in some instances. But a situation such as the continuing resolution shows

that there are many employees on Capitol Hill who are extremely capable and dedicated and who without question work long hours and exemplify the finest traditions of public service.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, I missed the last rollcall because of having attended a conference at the White House. If I had been present, I would have voted "aye."

AUTHORIZING SECRETARY OF TREASURY TO INVEST PUBLIC MONEYS

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5675) to authorize the Secretary of the Treasury to invest public moneys, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That the Secretary of the Treasury is authorized, for cash management purposes, to invest any portion of the Treasury's operating cash for periods of up to ninety days in (1) obligations of depositories maintaining Treasury tax and loan accounts secured by a pledge of collateral acceptable to the Secretary of the Treasury as security for tax and loan accounts, and (2) obligations of the United States and of agencies of the United States: *Provided*, That the authority granted under this section shall not be construed as requiring the Secretary of the Treasury to invest any or all of the cash balance held in any particular account: *Provided further*, That the authority granted under this section shall not be construed as permitting the Secretary of the Treasury to require the sale of such obligations by any particular person, dealer, or financial institution. Investments in obligations of depositaries maintaining such accounts shall be made at rates of interest prescribed by the Secretary of the Treasury, after taking into consideration prevailing market rates of interest.

SEC. 2. (a) Section 5(k) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(k)) is amended by adding after "Bank" in the first sentence thereof the following: "shall be a depositary of public money and" and by striking the period at the end thereof and inserting the following: ", including services in connection with the collection of taxes and other obligations owed the United States, and the Secretary of the Treasury is hereby authorized to deposit public money in any such Federal savings and loan association or member of a Federal home loan bank, and shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.".

(b) Section 402(d) of the National Housing Act (12 U.S.C. 1725(d)) is amended by adding the following at the end thereof: "Insured institutions shall be depositaries of public money and may be employed as fiscal agents of the United States. The Secretary of the Treasury is authorized to deposit public money in such insured institutions, and shall prescribe such regulations as may be necessary to enable such institutions to become depositaries of public money and fiscal agents of the United States. Each insured institution shall perform all such reasonable duties as depositary of public money and shall prescribe such regulations as may be required of its including services in connection with the collection of taxes and other obligations owed the United States.".

(c) The Federal Credit Union Act (12 U.S.C. 1751–1790) is amended—

(1) by inserting after section 209 the following new section:

"SEC. 210. Any credit union the accounts of which are insured under this title shall be a depositary of public money and may be employed as fiscal agent of the United States. The Secretary of the Treasury is authorized to deposit public money in any such insured credit union, and shall prescribe such regulations as may be necessary to enable such credit unions to become depositaries of public money and fiscal agents of the United States. Each credit union shall perform all such reasonable duties as depositaries of public money and fiscal agent of the United States as may be required of it including services in connection with the collection of taxes and other obligations owed the United States."; and

(2) by redesignating section 210 of the Federal Credit Union Act (12 U.S.C. 1790) as section 211. (d) Banks, savings banks, and savings and loan, building and loan, homestead associations (including cooperative banks), and credit unions created under the laws of any State and the deposits or accounts of which are insured by a State or agency thereof or corporation chartered pursuant to the laws of any State may be depositaries of public money and may be employed as fiscal agents of the United States. The Secretary of the Treasury is authorized to deposit public money in any such institution, and shall prescribe such regulations as may be necessary to enable such institutions to become depositaries of public money and fiscal agents of the United States. Each such institution shall perform all such reasonable duties as depositary of public money and fiscal agent of the United States as may be required of it including services in connection with the collection of taxes and other obligations owed the United States.

SEC. 3. (a) Subsection (c) of section 6302 of the Internal Revenue Code of 1954 (relating to use of Government depositaries) is amended—

(1) by striking out "or trust companies" and inserting in lieu thereof ", trust companies, domestic building and loan associations, or credit unions"; and

(2) by striking out "and trust companies" and inserting in lieu thereof ", trust companies, domestic building and loan associations, and credit unions".

(b) Subsection (e) of section 7502 of the Internal Revenue Code of 1954 (relating to mailing of deposits) is amended by striking out "or trust company" each time it appears and inserting in lieu thereof ", trust company, domestic building and loan association, or credit union".

(c) The amendments made by this section shall apply to amounts deposited after the date of the enactment of this Act.

SEC. 4. (a) The Bretton Woods Agreements Act (22 U.S.C. 286—286k–2) is amended—

(1) by striking out clause (g) of the first sentence of section 5, and by inserting immediately after clause (f) the following: "or (g) approve either the disposition of more than 25 million ounces of Fund gold for the benefit of the Trust Fund established by the Fund on May 6, 1976, or the establishment of any additional trust fund whereby resources of the International Monetary Fund would be used for the special benefit of a single member, or of a particular segment of the membership, of the fund.";

(2)(A) by inserting "(a)" immediately after "SEC. 14."; and

(B) by inserting at the end of section 14 the following new subsection:

"(b) The President shall, upon the request of any committee of the Congress with legislative or oversight jurisdiction over monetary policy or the International Monetary Fund, provide to such committee any appropriate information relevant to that committee's jurisdiction which is furnished to any department or agency of the United States by the International Monetary Fund. The President shall comply with this provision consistent with United States membership obligations in the International Monetary Fund and subject to such limitations as are appropriate to the sensitive nature of the information.".

(b)(1) Section 10(a) of the Gold Reserve Act of 1934 (31 U.S.C. 822a(a)) is amended—

(A) by striking out "to and" immediately following "necessary" and inserting in lieu thereof a comma; and

(B) by inserting immediately after "International Monetary Fund" the following: "regarding orderly exchange arrangements and a stable system of exchange rates: *Provided, however*, That no loan or credit to a foreign government or entity shall be extended by or through such Fund for more than six months in any twelve-month period unless the President provides a written determination to the Congress that unique or exigent circumstances make such loan or credit necessary for a term greater than six months".

(2) Section 10(b) of the Gold Reserve Act of 1934 (31 U.S.C. 822a(b)) is amended by striking out the phrase "stabilizing the exchange value of the dollar" in the fourth sentence thereof and inserting in lieu thereof the phrase "the purposes prescribed by this section":

(c) The joint resolution entitled "Joint resolution to assure uniform value to the coins and currencies of the United States", approved June 5, 1933 (31 U.S.C. 463), shall not apply to obligations issued on or after the date of enactment of this section.

Mr. MITCHELL of Maryland (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

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

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, I wonder if the gentleman could explain to us why a unanimous consent request is needed on this.

Mr. MITCHELL of Maryland. Mr. Speaker, if the gentleman will yield, this was requested merely to expedite the proceedings here. We know we are under a tight timetable today and that was the only justification for asking unanimous consent.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, could the gentleman explain to us what this is?

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield so as to permit me to proceed?

Mr. ROUSSELOT. Mr. Speaker, I am glad to yield to the distinguished gentleman.

Mr. MITCHELL of Maryland. Mr. Speaker, I will briefly explain the bill.

Mr. Speaker, H.R. 5675 passed the House on April 25 by a vote of 384 to 0. An amended version passed the Senate on October 11. The amendments are either technical or relate to the IMF. They are completely acceptable. The basic purpose of the legislation is to permit the Treasury to invest its cash bal-

ances. The authority is long overdue. The General Accounting Office and many Members of the Congress including most notably the late dean of the House, Wright Patman, long contended that the Treasury annually foregoes substantial revenues because it obtains no interest on its cash balances.

The legislation involves three major issues. The first is the proposed investment authority; the second is the inclusion of savings and loan associations in the T.T. & L. system. The third concerns minority-owned banks.

The advantages of the investment authority granted in section 1 of H.R. 7675 are threefold:

First. It will promote efficient government cash management and at the same time enable Treasury to earn $50 to $100 million net revenues annually, as Treasury Assistant Secretary David Mosso testified before my Subcommittee on Domestic Monetary Policy.

Second. It permits equitable compensation to depository institutions for services they render to the Treasury. Under the new system, depositories will be compensated for services which they now render free of charge. Compensable services will include maintaining T.T. & L. accounts, processing Federal tax deposits, and issuing and redeeming U.S. savings bonds.

Third. Finally, by no means of little importance, by allowing Treasury to use accounts in commercial banks as their working balances rather than shifting cash in and out of Federal Reserve banks, as in recent years, this legislation will insulate bank reserves from volatile transfers of funds between the public and the Treasury, thereby facilitating the smooth conduct of monetary policy.

It is, thus, amply clear that the investment authority granted in H.R. 5675 is in the public interest—in the interest of equitable treatment of depository institutions, increased potential revenues to the Government, and smoother money management. Now let me turn to the second major issue which this legislation involves; that is, inclusion of S. & L.'s in the T. T. & L. system.

One of the greatest inequities of our current tax and loan collection system is the exclusion of savings and loan associations as depository institutions. H.R. 5675 would correct this situation. Section 2 of the bill authorizes federally insured S. & L.'s, as well as those insured by States, and corporations chartered by States, to act as public depositories and members of the T. T. & L. system.

The U.S. League of Savings Associations, in a statement submitted for the House record, has endorsed this legislation, and in regard to section 2, stated that—

Tax and loan accounts can potentially help moderate the economic swings which affect deposit flows to savings associations and consequently funds available for mortgage lending. Skillful management can no doubt utilize tax and loan deposits to keep funds flowing to home borrowers in times of slack savings performance.

Several other reasons mentioned in the Banking Committee's report on H.R. 5675 indicate further why S. & L.'s should be brought into the T.T. & L. system. Briefly, these reasons include:

First. Thrift institutions such as mutual savings banks are already in the system.

Second. Federally chartered credit unions were made eligible to act as depositories under 12 U.S.C. 1767.

Third. Those S. & L.'s that issue bonds are not currently compensated for their services because they are not members of the T.T. & L. system.

Fourth. Nearly all of the services performed for Treasury by commercial banks are also provided by S. & L.'s.

Fifth. S. & L.'s already have the authority to and do make short-term investments.

Sixth. Under the proposed new system, S. & L.'s would be treated equally with other depository institutions.

Seventh. In order to receive T.T. & L. deposits, eligible S. & L.'s would have to pledge collateral. If individual S. & L.'s cannot pledge collateral, they cannot receive these funds. This, therefore, covers the issue of assurances on the financial condition of eligible S. & L.'s.

Clearly, these interests are important to all of us; and in this regard, I strongly urge your support of section 2 of H.R. 5675.

Finally, let me turn to the question of the impact of the investment authority granted in H.R. 5675 on the Nation's 83 minority-owned banks. In testimony before the Domestic Monetary Policy Subcommittee on March 9, representatives of the National Bankers Association, while supporting this legislation, emphasized that without a program to soften the immediate impact of the proposed payment of interest on T.T. & L. deposits on minority-owned banks, recent efforts which they have made to strengthen their development by attracting hitherto interest-free T.T. & L. deposits would be undermined. Treasury's position on this potentially adverse impact buttresses the NBA's concerns. Treasury favors establishing "special demand deposit" balances in minority-owned banks which would be based on the average T.T. & L. balance in such banks during a selected base year. These special deposits would be available to the minority-owned banks on an interest-free basis. However, over a 5-year period, special deposits would be decreased by 20 percent annually and thereby phased out. Both Treasury and the NBA agree that this method will adequately cushion the immediate impact of the proposed T.T. & L. investment authority embodied in H.R. 5675.

Let me affirm that our legislative history is intended to prevent the viability of minority-owned banks from being undermined: implementation of the investment authority in H.R. 5675, which has been amply documented, will generate annual net revenues of $50 to $100 million to the Treasury; provide for more equitable compensation to institutions now providing services free to the Treasury; and finally facilitate the smooth conduct of monetary policy.

Mr. Speaker, the amendments which the Senate added to H.R. 5675 are all acceptable. Two are technical. One changes the IRS code to permit credit unions to serve as tax and loan account depositories, thereby allowing implementation of their eligibility under the Credit Union Act, 12 U.S.C. 1767. The second simply requires Treasury to use the new investment authority with due regard for market interest rates. The remaining amendments are, as I said earlier, unrelated to the basic substance of H.R. 5675. They amend the Bretton Woods Agreements Act and Gold Reserve Act in four minor ways as follows.

First, prior congressional approval will be required of any new agreement to use IMF resources through a trust fund for the benefit of a single IMF member or segment of the membership of the IMF. Second, the administration will be required to inform Congress about any information provided by the IMF to the U.S. Government. The third limits to 6 months—unless waived by the President—any loan or credit extended to a foreign government or entity for the Exchange Stabilization Fund. The fourth permits people to make contracts requiring payment in gold if any two people wish to do so.

The Treasury, the State Department and OMB have no problems with any of these amendments. Nor do I. This is a good bill, a constructive bill and in the public interest. I urge its adoption.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, while I have this opportunity, I would like to commend the distinguished chairman of the Committee on Banking, Finance and Urban Affairs (Mr. REUSS) and the distinguished subcommittee chairmen (Mr. MITCHELL and Mr. NEAL) for the efforts they have been making to convince the Federal Reserve that there is an urgent need to keep the growth of the monetary aggregates within a range which is consistent with the ability of the economy to increase the production of goods and services.

Today's Washington Post reports that—

The worst fears of the financial markets were confirmed (yesterday) as the Federal Reserve reported that the basic money supply spurted $4.9 billion in the week ended Oct. 5, one of the largest increases ever, and a jump portending still higher interest rates.

This continues a trend of excessive money growth which has extended over many months and about which all of the distinguished gentlemen have expressed concern. Since I believe that steady, moderate growth in the money supply is essential if we are to have stable prices, full employment, and reduced long-term interest rates, it is important that Congress recognize that this issue cuts across partisan and philosophical lines and that the Nation should have a sound, bipartisan monetary policy.

In this same spirit, I would ask my distinguished colleagues to refer to a letter dated October 13, 1977, from Senator JESSE HELMS to Chairman REUSS, a copy of which was delivered to my office yesterday.

I insert the full text of the letter in the RECORD at this point:

Although I know of no error in drafting the Rousselot amendment to Public Law 94–564, there might be some benefit in clarifying the intent of my amendment. That intent was to insure that congressional approval would be required before resources contributed by U.S. taxpayers would be used for the benefit of a single member or segment of the membership of the IMF. Therefore, if the IMF used existing funds or the proceeds of further gold sales to establish such a fund, congressional approval would be required. If, however, such a fund were established entirely by new contributions from member countries, then Congress would have the opportunity to express its will through the authorization process, and no separate approval would be required under the Rousselot amendment.

The Treasury knows full well that the purpose of my amendment was to avoid a repetition of the events of last year in which a trust fund to provide balance of payments assistance to the poorest members of the IMF was established with part of the IMF gold sale. Even though the establishment of the fund violated the IMF articles of agreement which were in force at the time and involved funds which otherwise might have been restituted to the United States, both the IMF and the Treasury took the position that the gold sale proceeds belonged to the IMF, that the IMF could do with them as it pleased, and that no congressional approval was required to establish the fund. There was bipartisan agreement at the time that such an incident should not be repeated, and the distinguished chairman (Mr. REUSS) was instrumental in achieving the passage of the Rousselot amendment to clarify the role of Congress in the establishment of future IMF trust funds.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield briefly to me for the purpose of yielding to two Members who have done magnificent yoeman work to move this legislation through the House.

Mr. ROUSSELOT. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield to the gentleman from Ohio (Mr. MOTTL).

Mr. MOTTL. Mr. Speaker, I thank the gentleman from Maryland (Mr. MITCHELL) for yielding.

Mr. Speaker, I would like to urge my colleagues in the House to join with me in agreeing, by unanimous consent, to Senate amendments to H.R. 5675 which was passed unanimously by the Senate 3 days ago.

This bill, which we have spent countless hours on for almost 3 years, would require banks to pay interest to our taxpayers on tax and loan accounts deposits. As recently as January 1974, the average daily balance in these accounts averaged about $5.7 billion. Even invested at the modest rate of 5 percent, this would have netted the taxpayers an additional $285 million a year.

Since then, the Treasury Department has been more practical and prudent in its investments after considerable prodding by several of us. Nonetheless, the average daily balance in 1977 still is about $1.5 billion. If these funds were in interest-bearing accounts, we would be netting about $75 million a year additional for the taxpayers.

Consequently, each day we delay final passage costs the taxpayers about $206,000.

So, I ask you to join with us and pass H.R. 5675 by unanimous consent. It is a measure which should have been passed 60 years ago.

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

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Speaker, I rise in support of this legislation. I appreciate the work the gentleman from Ohio, my colleague, has done on it.

For the last few years, the Treasury has been using stopgap measures to minimize losses involved in keeping large cash balances in tax and loan accounts at commercial banks. The result has been that the monetary policymaking of the Federal Reserve has been greatly complicated, as it tries to counteract the effects of large swings in Treasury holdings of reserves, and the money markets have been subject to uncertainty and unnecessary confusion. The present bill goes right to the root of the trouble and gives to the U.S. Treasury an option already exercised by State and local governments throughout this country. This is simply the option to invest excess operating balances in interest-bearing short-term securities, instead of holding these balances as idle, nonproductive bank balances.

The best estimates of the Treasury and of the Congressional Budget Office is that this legislation will save the Treasury, on balance, between $50 and $100 million annually. We passed this bill unanimously in this House on April 25 of this year. I am delighted that the other body has been able to act during this session in adopting this bill.

The Senate amendments are noncontroversial and have been accepted by the Treasury and the Department of State.

By passing the bill now, instead of holding it for the next session of this Congress, we will be saving the taxpayers a minimum of $25 million.

I urge acceptance of the bill.

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

Mr. MITCHELL of Maryland. I yield very briefly.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding to me.

In a letter addressed to the chairman of the committee (Mr. REUSS) from Senator HELMS and dated October 13, 1977, there is a discussion in regard to language added by Senator HELMS.

The letter reads:

DEAR MR. CHAIRMAN: As you know, the Senate adopted my amendment number 919 during consideration of H.R. 5675, the Treasury Tax and Loan Account Legislation.

Part of my amendment, paragraph (1), modifies the Rousselot amendment adopted by the House of Representatives last year to H.R. 13955, the Bretton Woods Agreement Act Amendments of 1976, which President Ford signed into law as P.L. 94–564.

The new language as proposed in my amendment reads as follows:

"(1) by striking out clause (g) of the first sentence of section 5, and by inserting immediately after clause (f) the following: "or (g) approve either the disposition of more than 25 million ounces of Fund gold for the benefit of the Trust Fund established by the Fund on May 6, 1976, or the establishment of any additional trust fund whereby resources of the International Monetary Fund would be used for the special benefit of a single member, or of a particular segment of the membership, of the fund.";

In a letter from the Department of the Treasury on S. 2003, a bill which I sponsored identical to amendment 919, the following two paragraphs appear:

"Section 5 of the Bretton Woods Agreements Act was amended by P.L. 94–564 as proposed by Congressman Rousselot. The amendment was intended to require prior Congressional approval of any new agreement to use the resources of the IMF through a trust fund for the special benefit of a single member or segment of the membership of the IMF. (Congressman Rousselot's amendment does not affect the decision by the IMF to sell 25 million ounces of gold for a trust fund to provide balance of payments financing to lesser-developed-countries.)

"However, due to an error in drafting, the Rousselot amendment as presently enacted could be interpreted more broadly than was intended. P.L. 94–564 presently can be construed to require prior Congressional approval for the U.S. to vote in favor of the establishment of any new trust fund in the IMF—including one funded entirely by contributions from individual countries, for which the IMF would have only management responsibilities and no financial participation. Section 2 of S. 2003 clarifies the Rousselot amendment to reflect the Congressional intent accurately. The Treasury Department fully supports that proposed statutory change."

In the Treasury statement, concern is expressed that Congressional approval might be required for "the U.S. to vote in favor of the establishment of any new trust fund in the IMF—including one funded entirely by contributions from individual countries, for which the IMF would have only management responsibilities and not financial participation." If circumstances arose that the IMF wanted to establish or administer a trust fund supported by assets from nations other than the United States, no Congressional approval would be required for the U.S. vote to be cast in favor of IMF establishment or administration of such a fund. However, if the U.S. chose to make a contribution, it would be my view that procedures would be followed similar to those now being undertaken in seeking approval of the U.S. contribution to the so-called Witteveen Facility, the new Supplementary Financing Facility.

There is no doubt in my minde that this amendment is meant simply to insure that Congress gives its specific approval before the IMF utilizes more of the gold reserves it holds, or any added funds from the United States for the Trust Fund or any new facility that would benefit a single member of a particular segment of the membership.

I believe Congress was concerned when the Trust Fund was established without its ap-

proval and I believe there is full agreement that Congress' approval should be sought in the future.

Thank you for your concern and assistance.

With best personal wishes, I am

Sincerely,

JESSE HELMS.

The subcommittee chairman agrees with Senators HELMS' statement:

I believe Congress was concerned when the Trust Fund was established without its approval and I believe there is full agreement that Congress approval should be sought in the future.

Mr. MITCHELL of Maryland. This is my understanding.

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

Mr. ROUSSELOT. I yield to the gentleman from Idaho.

Mr. HANSEN. I am delighted to support the gentleman from Maryland's request for unanimous consent to concur in the Senate amendments to H.R. 5675. The bill gives authority to the Treasury to make short term investments of presently idle bank funds. This is a simple cash-management option now used by private business, and there is no reason why the Treasury should not be permitted, even encouraged, to use the same efficient financial techniques. This basic provision was unanimously approved by this House on April 25, and I am sure there will be no objection to it now.

The amendments added by the Senate are noncontroversial, and I am particularly glad that one provision has been added to effectively repeal the gold clause prohibition of 1935.

Mr. Speaker, in 1935 the U.S. Government acted to deprive its citizens entirely of the right to deal in gold in any way. The gold clause prohibition made unenforceable any contractual clause which required payment in gold or which was indexed in gold. A few years ago we ended the dark ages and again permitted our citizens to exercise their ordinary and natural right to buy and sell gold. You will remember, Mr. Speaker, the temerity of the Treasury in doing so. Our benevolent Government was afraid that the citizens would go overboard in hoarding gold. You will also remember, Mr. Speaker, that those speculators who believed that nonsense and drove the price up in anticipation of widespread gold hoarding lost their shirts. The citizens of this great land had demonstrated their level-headed approach to gold: There are legitimate uses for gold, and these were satisfied, and there was little in the way of speculative or other hoarding.

There was one anomaly left in the law, however—one way in which gold continues to be hedged with needless restriction. Today, it is still not possible for our citizens to write an enforceable contract in which payment is specified in gold, or in dollars equal to so much gold. Mr. Speaker, no other commodity is so restricted. Contracts can be made payable in silver, in wheat, in rubber, coffee, eggs, hog bellies, pianos, or any other commodity you care to think of, with the sole exception of gold.

There is, however, some judicial opinion which holds that this restriction is no longer valid, in view of the decision by the Government to permit citizens to buy and sell gold and generally do what they want with it.

Therefore, on May 2, 1977, I introduced legislation which would repeal this prohibition and thus clarify the status of gold in this country, as well as returning to our citizens a small but basic right denied to them for over 40 years. The provision in the amendment to the present bill is not worded the same as my bill, but reaches the same objective. It is a particular pleasure to me and a source of much gratification, that the Senate has adopted this measure without objection. Those who worry that our citizens will go overboard in putting gold payment in all their contracts are again wrong. I am confident the citizens of this great country will once again demonstrate that commonsense for which they are justly esteemed. Where there is a legitimate need for the exercise of this right we are returning to them, it will be responsibly filled. Where the purpose is speculation, there will be little activity.

Therefore, Mr. Speaker, I express again my appreciation at having the opportunity to support this legislation as amended. And I further express to our subcommittee and full committee chairman my appreciation for his efforts to expedite consideration of the measure.

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

The SPEAKER. Is there objection to the request of the gentleman from Maryland that the Senate amendment be considered as read and printed in the RECORD?

There was no objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill H.R. 5675 to authorize the Secretary of the Treasury to invest public moneys, and for other purposes.

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

There was no objection.

CONFERENCE REPORT ON S. 1811, ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION AUTHORIZATION ACT OF 1978

Mr. TEAGUE. Mr. Speaker, I call up the conference report on the Senate bill (S. 1811) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

(For conference report and statement, see Proceedings of the House of October 7, 1977.)

PARLIAMENTARY INQUIRY

Mr. UDALL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. UDALL. Mr. Speaker, I desire to make a point of order against the conference report. Is this the appropriate time?

The SPEAKER. It is.

POINT OF ORDER

Mr. UDALL. Mr. Speaker, I make a point of order against the conference report.

The SPEAKER. The Chair will hear the gentleman.

Mr. UDALL. Mr. Speaker, I make a point of order. Section 106(d)(3), adopted by the conference committee on the bill now before the House, exceeds the authority of the conference committee in that it inserts new substantive provisions in the legislation which were not included in the bill, either as passed by the House or passed by the Senate.

I would like to be heard briefly on the point of order.

The SPEAKER. The gentleman from Arizona is recognized.

Mr. UDALL. The point of order, Mr. Speaker, is based on the conference report violation of rule 28, which requires that the report shall not include matter not committed to the conference committee by either House. The offending provision of the conference report is section 106. It amends section 103 of Public Law 91–273 as amended, and impose new requirements on the Clinch River breeder project.

Specifically, section 106 would require that the project be located at the existing Clinch River site unless that site is determined to be unsuitable from the standpoint of radiological health and safety; that the "maximum extent possible" the project shall be designed, constructed and operated in accordance with existing arrangements, objectives and schedules; and the Secretary and "all other appropriate Federal agencies" (assumably the Nuclear Regulatory Commission) are directed "to undertake all such efforts as are necessary to assure the earliest possible decisions on a limit-

ed work authorization and a construction permit."

Neither the relevant sections of the House bill nor the Senate amendment contained any provisions relating to this substantial modification of the conditions and procedures by which the project would otherwise be licensed under the Atomic Energy Act as amended.

Mr. Speaker it cannot be argued that anything in the Senate bill or House amendment justifies this conference report's treatment of licensing issues. That both the House and the Senate conferees may have concluded that the project be built at Clinch River has nothing to do with the fact that under existing law the project must be licensed by the Commission at that site or another location. Under section 182(a) of the Atomic Energy Act "the place of the use" of the facility must "be in accord with the common defense and security" of the United States. By excluding the defense and security consideration, the conference report directly modifies licensing requirements and nothing in either the House or Senate version addresses this issue.

The other provisions I mentioned are also modifications of existing licensing law and like the siting provisions, these modifications have no relation to the authorizations of the House and Senate bills.

By requiring that the project be licensed to "the maximum extent possible" in accordance with existing plans the report seems to be limiting by law the statutory authority of the NRC to impose modifications of the project's design to assure safety.

Moreover, by requiring that the NRC expedite the licensing of the project, the conference report would create new licensing priorities for the NRC. This change will certainly modify the procedural rights of other participants in the licensing process that are guaranteed under existing law.

The point of order should be sustained.

Mr. TEAGUE. Mr. Speaker, I would like to be heard in opposition to the point of order.

The SPEAKER. The gentleman from Texas (Mr. TEAGUE) is recognized.

Mr. TEAGUE. Mr. Speaker, this report has been adopted by the other body. During the debate on the floor, Senator HART of Colorado asked Senator CHURCH, the chairman of the subcommittee in the other body, about the same point the gentleman from Arizona raises here. I would like to read Senator CHURCH's answer because I think it is the best way to be stated.

Senator HART said to Senator CHURCH:

* * * I am concerned with one provision of the conference report which deals with the Clinch River breeder reactor project, and that language is contained in section 106 (d)(3). * * * I want to make sure that the record is absolutely clear that this section does not modify in any way the licensing and regulatory authority of the discretion of the Nuclear Regulatory Commission under the Atomic Energy Act. * * * I would greatly appreciate it if the Senator from Idaho would give me his assurances to that effect.

Senator CHURCH. * * * The provision in the report to which he refers in no way limits the authority of the Nuclear Regulatory Commission to protect public health and safety or the common defense and security.

The Nuclear Regulatory Commission's authority to protect the environment of the Clinch River site is not limited. * * *

There are no alternative sites before the Commission. The language of the report in no way interferes with the discretionary authority or the power of the Commission to proceed as it normally would to a conclusion of this proceeding.

The SPEAKER. Do any other Members desire to speak on the point of order?

Mr. FLOWERS. Mr. Speaker, may I be heard further in opposition to the point of order?

The SPEAKER. The gentleman will be heard.

Mr. FLOWERS. Mr. Speaker, I think it would be in order very briefly to review the facts of the matter.

First of all, the House passed the 1978 authorization bill for the project in the amount of $150 million, which contemplated construction at the site. The project was first authorized in Public Law 91-273.

The Senate-passed bill contains language which incorporates a heading entitled "The Clinch River Breeder Reactor Project."

Furthermore, the Senate incorporates by reference a letter from Dr. Robert Fri, Acting Administrator of ERDA, and a letter from the Comptroller General, Mr. Elmer Staats, both of which talk about the Clinch River breeder reactor project at the site, Clinch River.

We have not in the conference report done anything except specify the site. What has not been done is anything that would affect the licensing for the facility.

I certainly agree with the chairman of the committee, the gentleman from Texas (Mr. TEAGUE) in what he has said, and I agree with the Senate conferees in their consideration of the conference report just this week. This matter was cleared up, and there is no attempt here to short circuit the NRC in connection with the duly authorized functions of the NRC.

The conference committee has tried to bring together a fair compromise of the House and Senate positions. Both contemplate construction at the Clinch River, Tenn., site. That is what we are talking about, the Clinch River site.

What we tried to do in the conference report is to clearly focus our attention on that point so the issue is drawn.

Mr. Speaker, that is all we are trying to do, and I do not think that the point of order should be sustained.

The SPEAKER. Do any other Members desire to be heard on the point of order?

Mr. CARR. Mr. Speaker, I desire to rise in support of the point of order.

The SPEAKER. The Chair will hear the gentleman.

Mr. CARR. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks.

The SPEAKER. The Chair will inform the gentleman that his request to revise and extend his remarks is not in order on a point-of-order discussion.

The gentleman from Michigan (Mr. CARR) will be heard.

Mr. CARR. Mr. Speaker, it is hard to think of a more classic case in which the rules against exceeding the scope of the disagreement should be applied.

On two occasions this House has gone on record as saying it separates the promotion and development of nuclear power from its regulation. We did it when we separated the Atomic Energy Commission and ERDA and established the NRC. We did it the year when we stripped the committee which maintained jurisdiction of its jurisdicton and transferred promoton and development of nuclear power into the committee chaired by the gentleman from Texas (Mr. TEAGUE) and the regulation of nuclear power into the committee chaired by the gentleman from Arizona (Mr. UDALL).

Yet here we have a committee, the Committee on Science and Technology, whose job it is to develop and promote nuclear power, going to conference with Members of the Senate, the Senate counterparts of the House, and returning with new regulatory guidelines contemplated by neither the House nor the Senate in the original legislation.

I might point out, Mr. Speaker, in response to the point of order, that the gentlemen from the Committee on Science and Technology have failed to respond to the point made by the chairman of the Committee on Interior and Insular Affairs that the report—and I quote—"Provided, that site preparation and those construction activities for which a construction permit is required shall not commence during the fiscal year ending September 30, 1978: Provided, the Secretary and all other appropriate Federal agencies"—parenthetically, meaning the Nuclear Regulatory Commission—"are directed to undertake all such efforts as are necessary to assure that the earliest possible decisions on a limited work authorization and a construction permit are obtained."

Mr. Speaker, that applies to the Nuclear Regulatory Commission. It is an effort by the Committee on Science and Technology and the conferees from the Senate side to revise the priorities of the Nuclear Regulatory Commission. That is a jurisdiction which is properly before the Committee on Interior and Insular Affairs of the House, but in any event, it is a matter which was not considered on the floor of this House or in the Senate before it went to conference.

Mr. McCORMACK. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will hear the gentleman.

Mr. McCORMACK. Mr. Speaker, I rise in opposition to the point of order, and I recommend that it not be sustained.

Mr. Speaker, I think the point of order is splitting hairs in attempting to divert the attention of the Chair and the body from the fact that when this issue was drawn and debated and voted upon by this House, we overwhelmingly supported an authorization of $150 million to continue the construction of the Clinch River breeder project.

Mr. Speaker, part of that operation of continuing to build the Clinch River project is to finish up the licensing of it. There is no way it can be built without the licensing; and when this House was voting, we were saying to go ahead, and clearly implied in that vote was to go ahead with whatever is necessary to do the job. The licensing studies on a limited work authorization or construction permit are clearly implied.

This bill does not revise the activities or restrict the activities of the Nuclear Regulatory Commission or of any other agency in any way. The licensing is an ordinary part of the procedure of constructing, and what the bill simply emphasizes is what the House passed, that we should go ahead with the construction.

Mr. Speaker, I would like to point out that I have here on the table before the Members the environmental impact statements completed, the proposed environmental impact statement for the liquid metal fast breeder reactor, which is dated December 1974, and the final environmental impact statement, in three volumes, which is completed, Mr. Speaker, for the Clinch River site and that by the Energy Research and Development Administration, and the final environmental impact statement, which is completed, in draft form, with only the final approval being necessary; and written right across the front of the document is "The Clinch River Breeder Reactor Plant."

Mr. Speaker, the only thing that the conferees were saying was that this operation in no way would be interrupted by the appropriation of this money. The authorization of the appropriation implies the continuation of the construction of the project, and that involves all the agencies.

What we simply said is that we are not restricting them in any way from doing their job.

Mr. Speaker, we simply say, "Go ahead."

The SPEAKER. Do any other Members desire to be heard on the point of order?

Mr. JEFFORDS. I do, Mr. Speaker. I desire to be heard on the point of order.

The SPEAKER. The Chair recognizes the gentleman from Vermont (Mr. JEFFORDS) on the point of order.

Mr. JEFFORDS. Mr. Speaker, it seems to me that the critical question here is simply this: If neither the House nor the other body, in their provisions, amended a provision of the law, in this case section 106 of Public Law 91-273, can the mere fact that one of the bodies, in their action, references a document—in this case it is, I believe, the Comptroller General's report—which mentions the law, they broaden the scope as they then did in conference so as to amend the law?

Mr. Speaker, to me that would open up incredibly the ability of committees of conference to amend laws all over the place. In other words, if we referenced the Encyclopedia Britannica, we could then, in conference, do anything we wanted with any law.

It seems to me that that kind of broadening of the scope is so repulsive to the general theory of trying to contain conference committees within some bound of reason that this is clearly a gross violation of that concept.

The SPEAKER. Do any other Members desire to be heard on the point of order. If not, the Chair is ready to rule.

If not, the Chair is ready to rule on the point of order.

The gentleman from Arizona makes a point of order against the conference report on S. 1811 on the grounds that the conferees have included in their report new matter not committed to conference, in violation of clause 3 of rule XXVIII.

Section 106 of the conference report amends existing law to require that the Clinch River breeder reactor project be located at a certain site, unless determined unsuitable from the standpoint of radiological health and safety, to prohibit certain construction activities on such project in fiscal year 1978, and to assure expedited decisions on work authorizations and construction permits. Section 101 of the House amendment authorized a sum for the liquid metal fast breeder reactor project, and earmarked a certain portion of that sum for certain development and testing. Section 103 of the Senate bill S. 1811 amended existing law to require that funds appropriated for the Clinch River breeder reactor project, pursuant to the authorization in existing law, be applied towards the continuation of that project, and not towards its cancellation or termination.

Section 103 of the Senate bill S. 1811 amended existing law to state the intent of Congress and to require that funds appropriated for the Clinch River breeder reactor project, pursuant to the authorization in existing law, be applied towards that project, and not towards its cancellation or termination; the Senate bill also endorsed an opinion of the Comptroller General relating to the continuation of the project. Insofar as section 106 of the conference report requires that funds shall not be used to terminate the Clinch River project and requires that funds appropriated pursuant to an authorization for a specific project shall only be used to proceed with that project, the report constitutes a proper modification of the issues which were contained in section 103 of the Senate bill.

But the mandate of the new subsection 106(d)(3) added to Public Law 91-273 as amended, by section 106 of the conference report, which requires that the project be located at a certain physical location, was not included in the Senate bill. Although the Senate bill did endorse on behalf of Congress an opinion of the Comptroller General which discusses the necessity of constructing the project at a certain site, the Senate bill did not absolutely require that result as does the conference report. Moreover, the report would allow altering that designated site in the case of unsuitability from the radiological health and safety standpoint. While is may be desirable as a matter of policy to include that exception, neither the House amendment nor the Senate bill addresses that policy. The remainder of subsection (d)(3) added by the report specifies a certain construction schedule as a matter of law, which the gentlemen from Texas and Washington have characterized as a compromise between the full level of funding adopted by the House and the lesser authorization adopted by the Senate.

The Chair appreciates the difficulty of the conferees in fashioning a recommendation incorporating the concerns of the House and Senate in this complex area. It appears to the Chair, however, that the Senate bill and the House amendment, as well as the hearings, reports and debates in both Houses addressed a variety of conceptual issues but did not commit to conference language which allowed the conferees to enact those issues into affirmative and mandatory privisions of law.

The Chair feels that a precedent relevant to the present situation occurred on December 20, 1974, as cited in Deschler's Precedents, chapter 33, section 6.9. On that instance, Speaker Albert ruled that the inclusion of a new provision in a conference report, relating to the Alaska Native Claims Settlement Act, was in violation of clause 3 of rule XXVIII, since that specific topic had not been addressed in either the House bill or the Senate amendment thereto. The argument was made on that occasion that the Senate amendment if enacted would have required, under existing law, the result mandated by the new provision in the conference report. The Chair ruled as follows in response to that argument: "If what the gentleman says is true, the addition of this language in the conference report would have been redundant. To have put it in the conference report would have been unnecessary; the Chair must conclude that a new issue has been injected which was not contained in the Senate amendment."

For the reasons stated, the Chair sustains the point of order.

MOTION OFFERED BY MR. TEAGUE

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

The Clerk read as follows:

Mr. TEAGUE moves that the House insist on its amendment to the Senate bill S. 1811 and request a further conference with the Senate thereon.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. TEAGUE).

The motion was agreed to.

APPOINTMENT OF CONFEREES ON S. 1811, ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION AUTHORIZATION ACT OF 1978

The SPEAKER. The Chair appoints the following conferees: Messrs. TEAGUE, FUQUA, FLOWERS, MCCORMACK, BROWN of California, THORNTON, OTTINGER, HARKIN, AMBRO, Mrs. LLOYD of Tennessee, Messrs. WATKINS, WYDLER, WINN, FREY, GOLDWATER, and GARY A. MYERS.

REORGANIZATION PLAN NO. 1 OF 1977

Mr. BROOKS. 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 resolution (H. Res. 688) to disapprove Reorganization Plan No. 1 of 1977; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from New York (Mr. HORTON) and myself.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS).

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 resolution (H. Res. 688), with Mr. KILDEE in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the State of the Union for the consideration of House Resolution 688, which the clerk will report by title.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to section 912 of Public Law 95–17, and the unanimous-consent request, the gentleman from Texas (Mr. BROOKS) will be recognized for 1 hour, and the gentleman from New York (Mr. HORTON) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, one of the major commitments of the new President who took office in January of this year is the reorganization of the Federal Government. Earlier this year, the Congress enacted legislation giving him the authority to carry out appropriate reorganizations in an expeditious manner by submitting reorganization plans. Today we have before us the first such plan.

The President has chosen to begin his reorganization with his own office. Reorganization Plan No. 1 of 1977 substantially restructures and streamlines the Executive Office of the President. The purpose of the reorganization is to enable the President to receive the best possible input from his staff so that he can maximize his effectiveness in the decisionmaking process.

This reorganization plan eliminates the Domestic Council, the Office of Drug Abuse Policy, the Office of Telecommunications Policy, the Economic Opportunity Council, and certain advisory committees. It will transfer to the President or to departments or agencies outside of the Executive Office certain functions of the Council on Environmental Quality, the Office of Management and Budget, the Office of Science and Technology Policy, and the Office of Telecommunications Policy. It will create an Assistant Secretary of Commerce for Communications and Information in the Department of Commerce, who will carry out some of the OTP functons. It also creates an Office of Administration within the Executive Office of the President to centralize support activities now being carried out by various units.

Our committee studied this reorganization in considerable detail. Hearings were held at which the Director of the Office of Management and Budget and his associates presented the purposes of the plan and responded to questions from our Members. We also heard testimony from Members of Congress and the public. The principal objections which arose to the plan were focused primarily on the abolition of the Office of Drug Abuse Policy, recently established by legislation, and the transfer of functions of the Office of Telecommunications Policy to the Department of Commerce. The President was made aware of the objections raised by the witnesses and by the committee. He saw fit to make certain changes which were submitted to Congress on September 15 and have been incorporated into the plan. It was the opinion of the committee that the amendments met most of the objections.

The administration estimates that the reorganization plan and other steps being taken will reduce staff levels in the Executive Office of the President from 1,712 full-time permanent positions to 1,459 (a reduction of 15 percent), resulting in savings of at least $6 million.

The plan meets the requirements of the Reorganization Act; it will improve the administration of the Executive Office and result in better staff support for the President. For these reasons, along with the budgetary savings that will result, the plan has merit.

House Resolution 688 is the instrument by which we act upon the President's first reorganization plan. The resolution was reported by voice vote from the Committee on Government Operations. Our recommendation to the House is that House Resolution 688 be rejected. Since the resolution reads that the House does not favor Reorganization Plan No. 1 of 1977, a vote to support the plan will be a "no" vote on the resolution. Those who oppose the plan will vote "yes."

Inasmuch as we can only accept or reject the whole package, I believe it should go into effect, and I urge that the Members vote "no" on the disapproval resolution.

The CHAIRMAN. The gentleman from Illinois (Mr. CORCORAN) is recognized.

Mr. CORCORAN of Illinois. Mr. Chairman, the ranking minority member of our Subcommittee on Legislation and National Security, that considered this resolution, as our able chairman so aptly pointed out, is, like myself and everybody who serves on that subcommittee, in support of the President's attempt to reorganize the Executive Office of the White House.

I think in general we would ask the full membership of the House to support the President, because it is an attempt by the President to reorganize the Executive Office of the White House in order to give him more direct management control, more streamlined control over the various agencies of the Government. After all, it is through the exercise of control over the staff and the adjoining facilities within the White House that the President can make his influence felt.

There are some disagreements with parts of the resolution, particularly as I recall the action which would be taken pursuant to this reorganization plan regarding the Office of Drug Abuse, but I think in the main there is a recognition on the part of the membership of the subcommittee and I believe a majority of the full committee that this action on the part of the President is something which is necessary and something that we support.

I yield to the ranking minority member of our subcommittee such time as he may consume.

Mr. HORTON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as one who has long been concerned about the enormous size of the Federal Government, I welcome this opportunity to take a critical look at the President's first plan to reorganize the executive branch. I give high marks to the President for tackling the problem right there in his own back yard—the White House, the Executive Office of the President, and related parts of OMB. The gentleman from Texas, (Mr. BROOKS) also gets high marks for his determined efforts to comply with the oversight provisions of the Reorganization Act of 1977.

I am pleased to report that the Committee on Government Operations did hold 2 days of hearings on this important Reorganization Plan. While there were some legitimate and troubling questions raised about some of its provisions, there was general agreement that we should give the President the opportunity to reorganize his own Executive Office as he seees fit. There was also general relief that the President submitted, at our request, an amendment to the plan which, in effect, gives the President considerable flexibility in delegating functions within his own office. At the same time, it preserves and maintains proper congressional oversight in the transfer of functions outside of his office.

Like each Member of this Congress, I reserve the right to object to future plans and even to some of the provisions of this one. But I think it is important that we encourage the President and cooperate with him at this early stage. Certainly, I hope his plan works.

While I basically support Reorganization Plan No. 1 and have no intention of objecting to it, I do have some misgivings about it. Accordingly before I urge my colleagues to support this plan, I will briefly tell you why I am troubled about some of its key provisions.

As Chairman of the Commission on Federal Paperwork, I have become increasingly aware of the alarming amount of unnecessary paperwork that is generated by poor and ineffective planning. Frankly, I cannot help but wonder if unnecessary paperwork and needless duplication will be the result of the President's decision to dismantle the Statistical Policy Division of the Office of Management and Budget. SPD, after all, was found by the Paperwork Commission to be one of the key elements in eliminating paperwork in the executive branch. Splitting the functions of that office hardly seems to be a move that will lead

to reduced paperwork. Even more obvious is the fact that, unless OMB or some other central unit is given all of the functions of SPD, there may be no single unit to review and reduce paperwork, and that worries me. I might add at this point that Comptroller General Elmer Staats, himself a firm advocate of reduced paperwork, shares my concern about this particular provision of the reorganization plan. I might also add that Jim McIntyre, Acting Director of OMB, has assured me in writing that there will be no adverse effects on either OMB or the Department of Commerce, which will inherit some of SPD's functions. He further assured me that a close working relationship on statistical policy matters will be maintained between his office and the Department of Commerce. I find that reassuring, but certainly the SPD transfer is a provision of the plan that bears watching in the months ahead.

Another provision of the plan that concerns me is the abolition of the Office of Drug Abuse Policy, an office that was authorized by Congress for a specific purpose. ODAP was created to be the principal unit within the Executive Office of the President responsible for coordinating the functions of more than 50 departments, bureaus, agencies, and administrations having jurisdiction over drug abuse prevention and control programs. There are many of us in this Congress who were and continue to be very much concerned about the drug abuse policy of this Nation. We took great heart and great pride in the fact that an office close to the President would be formulating and administering a national drug abuse program. Understandably, there was great concern in the committee that the abolition of this important office would mean that drug abuse prevention would no longer receive the high priority attention it deserves.

Mr. Chairman, I would like to point out that I have another letter from Mr. McIntyre, this one assuring me that the functions of ODAP will be continued and that the President will continue to be interested in the drug abuse prevention and control programs. That is reassuring in one sense, but I continue to be concerned that the abolition of ODAP will lead to a diminishing of the priority which has rightfully been given to this serious national problem.

In summary, as I understand it, there are three goals of reorganization. One is cutting paperwork; two is improving efficiency by centralizing units; and three is saving money. Dismantling the Statistical Policy Division clearly fails all three of these goals. Dismantling the Office of Drug Abuse Policy, if not failing these goals, certainly fails the test of fulfilling the mandate of the Congress.

As I indicated at the outset, I have some misgivings, some troubling questions about this Reorganization Plan. Still, they are changes favored by the President for his own office and I am willing to cooperate with him at this early stage. Accordingly Mr. Chairman, I recommend the approval of Reorganization Plan No. 1.

WASHINGTON, D.C.,
September 28, 1977.

Hon. FRANK HORTON,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HORTON: This letter responds to your inquiry concerning the effect on our paperwork reduction efforts due to the transfer of statistical policy functions from the Office of Management and Budget (OMB) to the Department of Commerce. There will be no adverse affect on OMB's Federal Reports Act functions due to this transfer. After the transfer, a close working relationship on statistical policy matters will be retained between our office and the Department of Commerce. Moreover, the transfer will allow the personnel remaining in OMB to devote their full efforts toward implementation of the Federal Reports Act rather than the past division between these duties and statistical policy functions.

The personnel implementing the Act will be relocated within the Office in the new Regulatory Policy and Reports Management Division. This organizational placement will allow the coordination of efforts involving regulatory policy and those concerning the reporting burden. Since the greatest burden upon private citizens stems from rules and regulations imposed upon the public, this close working relationship should be more effective in carrying out those policies set forth in the Federal Reports Act.

I will be pleased to answer any further questions you may have.

Sincerely,

JAMES T. MCINTYRE, JR.,
Acting Director.

WASHINGTON, D.C.,
September 29, 1977.

Hon. FRANK HORTON,
House of Representatives,
Washington, D.C.

DEAR MR. HORTON: I understand that you are concerned about the disposition of the Office of Drug Abuse Policy (ODAP) in Reorganization Plan No. 1. This letter explains the arrangements we plan to make for handling ODAP functions and answers questions that have been raised about it.

In proposing the abolition of ODAP as a statutory unit, the EOP reorganization group recognized the value of its work and made provision for each of its functions to continue:

ODAP's policy development and coordination functions will be handled within the new policy management system which is to be used for most domestic issues. The basis of the system is the formation of interagency working groups, coordinated by the Domestic Policy Staff, to recommend policy and handle specific problems. The system will link the skills and experience in line agencies with the Presidential perspective in the Executive Office. In the drug abuse area, Domestic Policy Staff members will work with the revitalized Strategy Council on Drug Abuse to make the system a reality. Because of the President's personal commitment to more effective action in the drug abuse area, a White House adviser will continue to provide strong policy guidance.

We anticipate that ODAP's current reorganization work will be completed in January 1978. However, the Office could continue until April 1 if additional time is needed to complete its work. After the Office is terminated, its reorganization responsibilities will be assumed by the President's Reorganization Project, in cooperation with the President's drug and health adviser.

The President's decision on ODAP is, in no sense, an attempt to deemphasize drug abuse problems. He has asked Dr. Bourne to take the lead in formulating a comprehensive national drug abuse policy, including planning, enforcement and other critical issues. His August 2, 1977, message to the Congress on drug abuse stressed his continued deep personal concern about the effects of narcotics and the need to act. The President has also assured the Congress that Dr. Bourne will be available to testify as he has been.

In summary, we believe that the new arrangements for carrying out ODAP functions will improve the effectiveness of drug abuse policy development and coordination. The system will place the drug issue in the mainstream of Presidential decision making within the new policy management system and reorganization efforts, thus better integrating it with related concerns. By retaining a visible White House adviser, priority will be given to the issue and coordination will be assured. I hope that you and your colleagues will view the ODAP reorganization in the context of the new arrangements that the President proposes.

Enclosed are answers to commonly asked questions. If I can provide further information, I will be happy to do so.

Sincerely,

JAMES T. MCINTYRE, JR.,
Acting Director.

QUESTIONS AND ANSWERS ABOUT ODAP AND THE EOP REORGANIZATION STUDY

1. CONDUCT OF THE EXECUTIVE OFFICE REORGANIZATION STUDY

Question: How was the study conducted?

Answer: Soon after assuming office, the President requested OMB to perform a comprehensive management assessment of the White House and the Executive Office of the President (EOP). On March 7, 1977, the Director of OMB sent a memorandum to the President outlining such a management study with the following goals:

Improve advisory, decision-making, management, coordinating and follow-up capabilities.

Streamline the advisory, coordinating and administrative support functions.

Minimize duplication and overlap of mission by combining or eliminating functions and improving processes.

An advisory committee of senior Presidential advisers was established to provide overall guidance. A. D. Frazier, Jr., was named project leader with the ability to form study teams and use outside resource people. A work plan was prepared as a guide to managing a comprehensive study.

The President approved the plan and work began to recruit an interdisciplinary team of analysts. Each EOP office was asked to detail a professional staff member to work with the study analysts to assist in the fact-finding, to review work and to serve as a daily contact point to provide substantive input on policy matters handled by each office.

The work was divided into three major studies:

(a) A fact-finding and functional analysis of each EOP office.

(b) A study of the decision-making process in the EOP.

(c) A study of EOP administrative support services.

In addition, plans for discussions with Congress and for public awareness were developed and administered.

The study was conducted from March 22 through July 1, 1977, when a report was presented to the President. Background information relative to ODAP included: the legislative history and related congressional testimony; previous drug strategy reports; other agency reports; information on planned ODAP studies; program and budget information; information on the purpose and objectives of ODAP, its organization, functions and activities; and results of interviews with ODAP professional staff and other knowledgeable agency and congressional staff.

The study was conducted with the cooperation of Dr. Peter Bourne of ODAP and his staff. They provided useful comments to the team at regular intervals and on the results of the study.

2. PRESIDENTIAL DECISION-MAKING

Question: How did the President make his decision on ODAP?

Answer: On July 1, 1977, the President received the completed report on the EOP reorganization study. This report covered major structural options for reorganization of the EOP, options for each office, options for improving the decision process and channels by which the President receives advice and implements decisions, and options for integrating administrative support functions. All information developed on ODAP was provided to the President because of his special interest in the field.

The President reviewed the information over the July 4th holiday. He requested that the Vice President review the report and provide him with his assessment. He asked his staff and EOP office head to provide him with final comments. He received and reviewed communications from several members of Congress.

After meeting with the EOP Project staff and receiving all of the information, the President made decisions.

When the President decided to terminate ODAP as a statutory entity, he also made several other related decisions. These related issues assure that drug abuse functions will be properly handled and that the issue will receive the priority attention it deserves. The most significant follows:

To deliver a planned message to the Congress on drug abuse which would clearly affirm his commitment to act. This message was delivered on August 2.

To retain a highly visible adviser to the President on drug matters who would be available to testify before the Congress as the Administration's chief spokesperson on drug abuse issues. This individual would be responsible for overseeing the effort to develop a national drug abuse policy and for mobilizing and directing coordination efforts.

To revitalize the Strategy Council on Drug Abuse, an existing interagency group. This group and ad hoc task forces, working with the President's adviser and Domestic Policy Staff, would be responsible for policy development and interagency coordination problems. Thus, drug abuse issues would be handled as a part of the new policy management system, developed to handle such issues.

To ensure that ODAP had sufficient time to finish its important reorganization work. ODAP has scheduled completion of its projects by the end of the year.

To direct the President's Reorganization Project to handle other drug related reorganization efforts.

To structure a system that left operational functions in line agencies and made use of agency expertise in developing policy.

3. CHANGE OF PRIORITY ON DRUG ABUSE

Question: Does elimination of ODAP signal the Carter Administration's disinterest in the serious drug abuse problem?

Answer: No.

(a) The President's commitment to fighting drug abuse can hardly be doubted. His message to the Congress of August 2, 1977, and the establishment of an adviser to the President on drug matters signals the Administration's continued commitment to resolution of drug abuse problems. Replacing ODAP with an adviser to the President plus support from the President's Domestic Policy Staff, OMB's President's Reorganization Project and a revitalized Strategy Council on Drug Abuse reflects a different process approach rather than a change in objectives. We think this approach can be more effective.

(b) When the President activated ODAP, he did not have the benefit of a comprehensive study of his office with alternate ways to handle important issues like drug abuse. The adoption of the policy management system creates a better means for handling such issues than continuing a separate office.

(c) Significant work of ODAP will be completed by the end of the year and the President has indicated he will act quickly on its recommendations.

(d) The presence of an assistant and a revitalized Strategy Council on Drug Abuse provides a visible focus for the national drug abuse effort. It cannot be assumed that in order to focus attention on a problem and mobilize resources, an EOP office must be established. Alternative ways of solving problems can be found and we feel that enlisting the resources of the agencies and departments involved is the best way.

(e) The discontinuation of ODAP will not result in other resource reductions or program reallocations. The President's August 2 message provides additional priorities and direction.

4. FUNCTIONS OF ODAP

Question: What functions does ODAP currently perform and who will carry them out after reorganization?

Answer:

Current function	*After reorganization disposition*	*Comment*
(a) Recommend to the President, policies objectives, and priorities of Federal drug abuse functions.	Special Assistant to the President and Domestic Policy Staff.	The Special Assistant will also handle international health matters.
(b) Provide strategy in terms of policy direction and coordination of the law enforcement, international and treatment prevention programs (written strategy).	Special Assistant, Domestic Policy Staff and Strategy Council on Drug Abuse.	
(c) Coordinate the interagency/interdepartmental performance of drug abuse functions and the implementation of Presidentially approved drug abuse strategies.	Special Assistant working with the Domestic Policy Staff through the Strategy Council on Drug Abuse.	
(d) Recommend to the President changes in organization, management, and personnel of relevant Federal agencies.	OMB's President's Reorganization Project.	Part of normal reorganization responsibility of OMB. Several reorganization studies are underway in this area.
(e) Represent the United States, at the President's discretion in international discussions and negotiations related to drug abuse functions.	Department of State.	No formal transfer of functions nor positions to State required since this is its normal responsibility.
(f) Review regulations, guidelines, requirements, criteria and procedures regarding above functions within Federal agencies.	OMB President's Reorganization Project.	
(g) Evaluate performance and results of drug abuse programs in Federal agencies.	OMB President's Reorganization Project and NIDA.	This must be done as part of the reorganization but ongoing work should be done in an agency.

5. ESTABLISHING POLICY

Question: How will drug abuse policy be set without ODAP?

Answer: Drug abuse policy should be set in cooperation with the responsible agencies. The President has asked Dr. Bourne to begin formulating a comprehensive drug abuse policy working with the Domestic Policy Staff and with relevant agencies through the Strategy Council on Drug Abuse. The President will expect his Adviser on drug-related matters to advise him if the responsible agencies' policies are deficient in any way.

6. INTERAGENCY COORDINATION AND REORGANIZATION

(a) Question: How will the coordination function be handled? With so many Federal entities involved in drug abuse, how can they be effectively coordinated without ODAP in the Executive Office?

Answer: Even for serious and complicated national problems such as drug abuse, the Carter Administration expects appropriate Cabinet Secretaries or agency heads working with the Domestic Policy Staff to assume full responsibility. The Drug Adviser working with the Domestic Policy Staff through the Strategy Council will be the main mechanism for coordination. Since drug abuse programs are so fragmented as to preclude effective assignment of responsibility to Federal executives, the appropriate course of action is reorganization of the drug abuse programs rather than maintenance of ODAP. Several reorganization studies are underway that will deal with organization of the Federal effort to combat drug abuse. The OMB reorganization effort will continue thereafter as needed to examine the fragmentation of drug abuse programs. Indeed, the legislative history (Senate Report No. 94–218) shows that the Labor and Public Welfare Committee recognized that ODAP's functions might be effectively carried out in other parts of the executive branch. That Committee anticipated Reorganization Plan as the vehicle for any such changes. We agree with their general assessment.

(b) Question. How can the proper budgetary balance in the various Federal drug abuse programs be maintained without ODAP?

Answer: Examination of program budgets for similar functions across organizational lines for compliance with overall Administration priorities and policy is a normal Office of Management and Budget function. We have every reason to believe that OMB, using zero-based program information, will effectively carry out this responsibility.

7. STAFFING OF DRUG ISSUES IN THE EXECUTIVE OFFICE

(a) Question: What Executive Office staff will work specifically on drug abuse problems?

Answer: Two persons on Dr. Bourne's staff and at least four people on the Domestic Policy Staff will work on drug-related mat-

ters. Personnel from the Office of Management and Budget's President's Reorganization Project will be assigned to work on any unfinished reorganization efforts and any new drug agency projects. On the budget side, OMB examiners, using zero-base program information, will be able to provide better program data for decision-making. Experts from the agencies will be used in the policy management system and as representatives on ad hoc interagency working groups to solve specific problems as they arise. This is more effective and economical than maintaining a full-time office staff.

(b) Question: Why eliminate ODAP to achieve a mere $500,000 saving?

Answer: Cost savings were secondary to the goal of an improved capability to address drug problems.

8. CONTINUATION OF A SPECIALIZED OFFICE

Question: Only last March ODAP was established by the President in recognition of the seriousness of the drug problem. Now you are abolishing it. What has changed in such a short time to cause this reversal?

Answer: Three things have changed. First, we think that the Domestic Policy Staff and the new policy management system can better handle Presidential level policy development and interagency coordination than can separate organizational entities like ODAP. Second, an OMB reorganization staff now exists to address the excessive fragmentation of drug abuse programs that has led to a need for an ODAP-like approach. This OMB reorganization effort will pick up where ODAP leaves off using the results of ODAP's reorganization studies. Third, ODAP has already achieved momentum in studying drug abuse problems; Dr. Bourne as Presidential Adviser and the Domestic Policy Staff can sustain that momentum.

Mr. BROOKS. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, we should take note as we act on the first of the reorganization plans that President Carter will propose and as we are about to move forward in the process of Government reorganization, which was one of the basic commitments the President made to the American people in the recent campaign, that this is the beginning of a great undertaking. We should also recognize the work which the chairman of our committee, the gentleman from Texas (Mr. BROOKS), and the ranking minority member, the gentleman from New York (Mr. HORTON), have done in expediting and bringing this first plan to the attention of the House.

I think it is a good plan. I think the President started in the right place by setting his own house in order before he moves on to other areas of the Government. Indeed, if I have any criticism at all of the plan we have now before us, it is that it is not as bold as it might have been. It is not as dramatic or creative as it might have been. If we cannot make major, fearless changes in the Executive Office of the President, we will surely not be able to make bold changes when we begin to deal with agencies and programs that have their own vocal, parochial constituencies in Congress and in the public.

I think as we look ahead at some of the other plans which potentially may be coming to us for consideration, I would only hope the President would send us bold plans that will bring about major streamlining in the organization of Government, which I believe the American people want, which I believe they have demanded. I know our committee, under the leadership of our distinguished chairman, will be able to consider those plans, weed out the bad ones, and bring us the good ones, so we can take a major step forward in partnership with President Carter in the reorganization of the bloated, somewhat befuddled governmental structure of the present.

Mr. HORTON. Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding, and rise in support of House Resolution 688, disapproving the President's Reorganization Plan No. 1 of 1977.

Mr. Chairman, I am opposed to this reorganization proposal primarily because it dismantles the Office of Drug Abuse Policy (ODAP) from the Executive Office of the President (EOP) without substituting a satisfactory unit within the Executive Office that would fulfill the functions that Congress sought in creating ODAP in 1976, namely; to provide "for effective, ongoing and highly visible Federal leadership in the formation and execution of a comprehensive, coordinated drug abuse policy" (Public Law 94–237).

Approximately 100 Members of Congress have expressed the view that this congressionally created unit should not be dismantled from the President's Executive Office.

Literally hours before the President submitted his reorganization proposal to the Congress, on July 12 and 13, 1977, and again on September 23, 1977, the select committee received testimony from the chief narcotics policymakers in the executive branch. The following themes emerged from that testimony, which I would like to bring to my colleagues attention:

First. The Office of Management and Budget (OMB) which drew up the reorganization proposal did not consult with the top narcotics administrators before arriving at its recommendation to abolish ODAP. It did not provide these narcotics policymakers with an opportunity to comment on OMB's termination proposal or for them to assess the impact that this recommendation would have in fulfilling the objective of Public Law 94–237.

Second. OMB did not consult with Members of Congress, particularly the Select Committee on Narcotics Abuse and Control, prior to proposing that ODAP be abolished. The failure of this administration to consult with Members of Congress on matters that directly involved the Congress—in this instance a congressionally created unit in the Executive Office that would provide a comprehensive coordinated national drug policy—is not unique to the drug issue. Last week, the Wall Street Journal reported that the distinguished Speaker of the House (Mr. O'NEILL) voiced a similar complaint that—

The Administration is not paying enough attention to Congress in making its major foreign policy and domestic decisions.

Third. OMB's reorganization project team did not have any narcotics experts on its staff. Since OMB did not consult with the narcotics administrators or with Congress, and since OMB did not have any narcotics experts on its staff, it did not arrive at an informed and objective decision regarding ODAP's effectiveness in formulating a comprehensive, coordinated national drug abuse policy and in fulfilling the congressional mandate in Public Law 94–237.

Fourth. OMB misinformed the President in its assertion that only four options were available to him with regard to ODAP. An OMB representative testified before the select committee that one option would be to "permit ODAP to continue until its statutory termination date which is this fall."

Mr. Chairman, that testimony is erroneous. Public Law 94–237 does not contain any termination date with regard to ODAP's life existence and the "expiration" of its appropriations was not properly explained to the President, if it was explained at all.

Fifth. The three other options that OMB presented to the President dealt with eliminating ODAP and transferring its functions to other Federal departments and drug abuse agencies. This is the antithesis of what Congress intended when it created ODAP. OMB's approach toward managing the drug problem perpetuates the fragmentation that currently exists in the Federal Government. Instead of centralizing a leadership role in the EOP as Congress intended, OMB's decentralized approach shatters the efforts of the Congress to develop a coordinated drug policy in the EOP.

Mr. Chairman, why did OMB not provide the President with the alternative option of retaining ODAP within the Executive Office, particularly when the President activated the Office only last March? Under Dr. Bourne's leadership, ODAP has just begun to fulfill its congressional mandate.

Sixth. OMB's contention that it is streamlining the Executive Office by dismantling Dr. Bourne's seven-member professional staff and by providing him with a four-person staff from the domestic policy staff, two individuals from his present staff, and support from OMB's reorganization project, thereby "saving" at best, one position, does not constitute any appreciable savings in reduced manpower. This reshuffling of units and staff can hardly be regarded as "streamlining." The asserted $300,000 saving by eliminating ODAP's unused budget is miniscule compared to the loss in momentum obtained by ODAP and the loss that would result in developing a comprehensive, coordinated national drug policy, which, under the reorganization proposal, would be scattered through the Federal bureaucracy.

Mr. Chairman, unless either the House or the Senate disapproves reorganization plan No. 1 by Saturday, October 15, this ill-conceived plan will become effective and the efforts by the Congress to develop a comprehensive, coordinated national drug policy will be shattered. Narcotics trafficking and drug abuse impact upon virtually every city and town in this

Nation. It has created an addiction population in this country estimated between 700,000 and 800,000 and supports the illicit business activities of organized crime estimated at over $20 billion annually.

Mr. Chairman, this is far too important an issue to be summarily dismantled from the President's Executive Office without properly considering its impact on our Nation.

Obviously, if the President does not want to utilize ODAP, then he will disregard it. But let us impress upon him the importance of this congressionally created office, the need for the administration to consult Congress, and the importance of providing a unit in his Executive Office to formulate a coordinated national drug policy.

I realize that we must vote on the reorganization plan in its entirety without singling out elements of the plan for disapproval. However, in view of the magnitude of this issue, I urge that my colleagues support House Resolution 688, and return OMB's ill-conceived proposal to the drawing boards.

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

Mr. Chairman, President Carter's reorganization proposal should certainly not be taken as any indication of a lack of commitment to seeking solutions to our drug problem. Earlier this year, the President sent a special message to Congress on the drug problem. This response on the part of the new administration certainly shows its concern for and interest in resolving this problem which is taking such a severe toll in human resources in our country.

President Carter has clearly stated many times his intention to methodically review the organization of the Government and to make recommendations for making it more efficient. That study with regard to the Executive Office of the President has been completed and he has concluded at this time that the drug abuse problem can be dealt with more effectively through the mechanism he has proposed in reorganization plan No. 1. The President has indicated that his drug advisor, Dr. Bourne, will remain in the Executive Office working closely with the agencies, such as HEW, the Department of Justice, the Customs Bureau, and others that deal with the drug problem. He has also indicated every intention of making Dr. Bourne available for congressional appearances.

The President's desire is to make the Executive Office of the President an efficient, streamlined, and responsive tool with which he can, hopefully, direct major Government policy, including that relating to drug abuse. Abolishment of the Office of Drug Abuse Policy certainly in no way directly or indirectly can be equated with a lack of concern on the part of the President or this administration.

Mr. Chairman, I yield 4 minutes to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I would like to support the resolution that is being considered, although I had wanted to make a point of order against the whole thing. I was told that they preferred to rule on the point of order, and nobody is really quite sure whether it would stand. I feel that under the terms of the Reorganization Act that we passed last year, the terms of it said that the President could not submit reorganization plans which would have the effect of creating authorizations for new entities that would replace old entities which are not authorized.

Mr. Chairman, I chair a subcommittee which has been attempting to try and do an authorization bill for the White House for a long time, and we have had no cooperation. Our fear is that Reorganization Plan No. 1 is the way to maybe skirt what we have been attempting to do. I want to get this authorization through at the White House, and I think a lot of us feel very strongly that the White House should be like any other executive agency and should not be given the keys to the Treasury. But we have not been able to proceed on this because we have not been able to get the administration's help.

Within Reorganization Plan No. 1, the White House Office, the Executive residence, the special assistance to the President, the Vice President's funds, and the domestic council are all being reorganized. But I do not see how they can possibly be reorganized when they do not have any current authorizations in the law.

Last year, when we were considering appropriations on all of these different aspects of the Executive Office, there were very many points of order that were upheld against the appropriations for these entities that I have just mentioned. So my question is: How can we possibly have a reorganization plan to reorganize entities which have not been authorized.

Then I also want to know how we can possibly proceed to get those authorizations moving from the White House. Our frustration has been that every week there is a new team dealing with it and that nobody wants to come over and testify. Because of a lot of things that happened during Watergate, as the Members are aware, and a lot of funds being misused, my subcommittee feels there should be an authorization for the Executive Office of the White House and there should be more control of these funds.

We did pass an authorization with the Ford White House going along with it. As I say, we have been unable to get any help on a White House authorization with this administration.

My real fear is that this reorganization plan is a way to make an end run around my subcommittee's authorization process so we cannot get our hands back on the authorization and appropriation process in order that we really do have an accounting and do know where those White House funds are going. We must have an authorization to have some way of making the executive branch accountable for what is going on over in the White House.

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

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

Mr. Chairman, there is nothing in Reorganization Plan No. 1 that exceeds the scope of the Reorganization Act. The question is raised regarding four units in the Executive Office of the President: First, the White House Office; second, the Executive residence; third, the special assistance to the President—Vice President's funds; and fourth, the Domestic Council. The first three of these are not dealt with in the reorganization plan. While the reorganization may affect them, the plan itself contains no mention of any of those three units.

The fourth unit, the Domestic Council, was created by Reorganization Plan No. 2 of 1970. Reorganization plans have the full force and effect of law and, therefore, the Domestic Council is a proper entity to be treated in a subsequent reorganization plan.

The Government Operations Committee concluded in its report on this plan:

> After a careful analysis of Reorganization Plan No. 1 of 1977, the Committee concludes that it meets the requirements of the Reorganization Act (Public Law 75–17).

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished colleague, the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, as I understand the Reorganization Act, it provided that the President could not submit reorganization plans that would create authorizations for new entities that would replace old entities which were not authorized. That is essentially what we are doing here with this reorganization plan.

Mr. BROOKS. Mr. Chairman, I appreciate the gentlewoman's concern and her interest, and I hope that in the future she might have more interest in appropriations and authorizations at the executive level.

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will yield further, I assure the gentleman from Texas (Mr. BROOKS) that I will have a standing interest in the appropriations and authorizations at the executive level.

Do I have the gentleman's assurance that this is not a secret way to make an end run around the authorization process?

Mr. BROOKS. Mr. Chairman, I do not believe that this action has any motivation along that line.

Mrs. SCHROEDER. So the gentleman would still feel that authorizations at the White House level would still be required and there would be no change in that procedure?

Mr. BROOKS. Mr. Chairman, I would have to look into that further before I make that commitment, I will say to my distinguished friend, the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman.

Mr. HORTON. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I have taken this time to ask the chairman of the committee the procedure with regard to a vote on this matter.

In the event that we have a recorded vote, I understand it is the recommendation of the committee that those who favor the plan should vote "no," because the disapproval resolution is just that, a resolution to disapprove, and, therefore, under the procedure that we have established for these authorization bills, this is the manner in which the matter is presented.

So in order that the Members will understand the procedure, if they wish to record their vote for the plan, they should vote "no" on the resolution; is that correct?

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

Mr. HORTON. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, the gentleman from New York is absolutelv correct. If Members are for the President's Reorganization Plan No. 1, as the committee is and as I certainly am, they should vote "no" on this disapproval resolution.

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

Mr. WEISS. Mr. Chairman, although I am in general agreement with Reorganization Plan 1, I have grave reservations concerning that portion of the plan which eliminates the Office of Drug Abuse and Prevention—ODAP. That is why I voted "present" in committee and intend to do the same on the floor. A brief look at the reorganization's plan for ODAP will, I hope, make it clear why I am voting this way.

On March 14, President Carter stated that: "Drug abuse continues to drain human resources, especially from our youth, with no end in sight. I am determined that we make every effort to reverse this trend." However, only 4 months later, he announced, at the urging of the Office of Management and Budget, that he was terminating ODAP, the one agency in the executive that has begun to provide visible Federal action in developing and carrying out a comprehensive, coordinated national drug abuse policy.

ODAP is responsible for formulating a comprehensive national drug program and coordinating the functions of more than 50 departments, bureaus, agencies, and administrations having authority over drug abuse prevention and control programs.

Under this reorganization proposal, ODAP's director, Dr. Peter Bourne, his staff—reduced from 10 to 2—the revitalized Strategy Council and the OMB Reorganization project would be responsible for formulating and coordinating the Nation's drug program. All these organizations will have numerous additional responsibilities covering a wide range of issues. They will not have enough time to meet the problems of drug abuse. It is far too important a problem to be relegated to a part-time occupation fragmented among several Federal agencies. A decentralized approach will not effectively deal with our Nation's problem with drug abuse.

The redelegation of drug-related functions would give almost unrestrained authority to the executive without any oversight or approval by Congress. This is contrary to the Public Law 94-237 which, in creating ODAP, called for Presidential appointment, with the advice and consent of the Senate, and directed that ODAP be the executive agency for formulating and recommending polices, objectives, and priorities in the fight against drug abuse.

In this new proposal, various unrelated agencies will acquire functions previously the responsibility of ODAP. OMB, for example, will be acting as a policymaker in the drug abuse field, rather than as a consulting agency. Even the President's Reorganization project would have a hand in the decisionmaking.

I am fearful that this fragmentation of responsibilities will irrevocably erode Federal leadership in combating drug abuse. The reorganization plan relegates drug-related issues to a far lower priority than President Carter placed on them last March.

I urge my colleagues to give their attention to the testimony of the Honorable BENJAMIN GILMAN and of Hon. LESTER WOLFF, chairman of the Select Committee on Narcotics Abuse and Control, who urged disapproval of the President's reorganization plan.

The drug abuse problems in the United States must continued to be a high priority. We need viable answers, and for this we need strong leadership. We must restore ODAP to its original strength.

Mr. WOLFF. I thank the gentlemen for yielding.

Mr. Chairman, this portion of the reorganization proposal, which was prepared by the Office of Management and Budget (OMB) and which would terminate the Office of Drug Abuse Policy (ODAP) is an ill-conceived plan, and the President was poorly advised as to the ramifications that this proposal would have on this Nation's efforts to control narcotics trafficking and drug abuse.

The House Committee on Narcotics Abuse and Control, of which I am privileged to serve as its chairman, recently conducted oversight hearings on the Federal drug strategy. We heard from the administration's top narcotics policymakers—Dr. Peter Bourne, Director of the Office of Drug Abuse Policy (ODAP), Peter Bensinger, Administrator of the Drug Enforcement Administration, Mathea Falco, the Secretary of State's Senior Narcotics Adviser, and Dr. Robert DuPont, Director of the National Institute on Drug Abuse—and we learned that none of these narcotics experts were consulted regarding the dismantling of ODAP.

Mr. Chairman, the Congress created ODAP in 1976. It is a statutory unit within the President's Executive Office that derives its mandate from Public Law 94-237, which, among other things, requires this Office to provide "an effective, ongoing, and highly visible Federal leadership in the formation and execution of a comprehensive, coordinated drug abuse policy." Under the reorganization proposal, not only will ODAP be scrapped, but I am at a loss to locate its functions on the proposed reorganization chart. This is hardly the highly visible Federal leadership that Congress had in mind when it created ODAP.

Furthermore, Members of Congress—and especially the select committee—were not consulted regarding the proposal to abolish ODAP. In my view, this lack of consultation is an affront to the American people and to the Congress. Congress must be consulted in such vital matters of public policy, particularly when it involves a congressionally created plan.

Reorganization Plan No. 1 as it relates to formulating a comprehensive, coordinated national drug abuse policy is the very antithesis of what Congress intended when it created ODAP. The reorganization proposal perpetuates the fragmentation that currently exists in the Federal executive branch by scattering ODAP's functions to the very departments and agencies that would require coordination if this Nation is to develop a comprehensive national drug policy. The legislative efforts of the Congress, culminated in Public Law 94-237, has been shattered. If this part of the proposal is not rejected by either the House or the Senate by this Saturday, October 15, then this Nation will be required to start from scratch in its efforts to develop a comprehensive, coordinated national drug policy out of the fragmented cloth that currently exists in the Federal executive branch.

ODAP has just begun to fulfill its congressionally created mandate. Let us not scrap ODAP. Rather, let OMB redesign its proposal and resubmit it to the Congress and, hopefully, after it consults with the administration's narcotics experts, none of whom reside in OMB, and with the Congress, it will formulate a meaningful program to arrest this invidious cancer, drug abuse, which is attacking the very vitals of this Nation.

Mr. ROGERS. Mr. Chairman, while I support most of the reorganization proposals in the President's Reorganization Plan No. 1, I am opposed to the provision which would terminate the Office of Drug Abuse Policy in the Executive Office of the President.

The Office of Drug Abuse Policy, which I shall refer to as ODAP, was created by statute in 1976 to direct the establishment of a high-level drug abuse policy and coordinating entity in the Executive Office. ODAP replaced the Special Action Office on Drug Abuse Prevention, which was established in 1972. The congressional effort leading to the enactment of legislation which created ODAP encountered considerable opposition from the former administration, which also failed to implement that legislation, despite the clear statutory requirement that it do so. I was extremely pleased when in March of this year, the President announced that he was activating ODAP and had appointed Dr. Peter G. Bourne as its Director. During the months of April, May, and June, ODAP was staffed and it launched many important drug abuse initiatives which are currently being carried forward. I was therefore completely surprised and dismayed when

in July the President transmitted to the Congress Reorganization Plan No. 1 which provided for ODAP's termination.

Although I am sympathetic with the President's concerns about the proliferation of categorical, mission-oriented offices in the executive office, I do not believe that the termination of ODAP and its proposed replacement for drug abuse policy and coordination, will address these concerns. In fact, I believe that there is sound basis to conclude that the proposed policymaking and coordinating network to be substituted for ODAP will probably aggravate the proliferation of uncoordinated drug abuse entities in the executive office. It is my understanding that the proposed substitute for ODAP's drug abuse policy development, coordination, and reorganization study functions will be composed of three functional groups in the executive office. The first group is to be an office headed by Dr. Bourne which is to advise the President respecting drug abuse and other health matters. A second group is to be composed of domestic council staff members assigned to drug abuse policy. A third group is to be composed of staff members of the President's reorganization project assigned to drug abuse reorganization. Then, to complicate matters further, the OMB will no doubt also have some role in the process. It seems to me that the splintering of ODAP into these three functional groups, without a clear indication of lines of authority and responsibility respecting the assumption of ODAP's previous functions, is likely to be counterproductive to the development of a strong voice on drug abuse matters in the executive office as well as causing further proliferation of executive office drug abuse entities. Many additional questions seem to me to still be unanswered with respect to the accountability to Congress of the proposed drug abuse policy and coordination network.

I adhere to my previous view that an entity with a clear mandate based upon statutory authority, such as ODAP, is vital to our national efforts to develop and coordinate diverse and often conflicting drug abuse strategies and activities. Drug abuse policies and activities cut across numerous Federal, State, local, and proprietary entities. In fact, there are over 20 Federal agencies in several Cabinet-level departments with significant drug abuse responsibilities. Over the years, many intense conflicts have developed between the policies and activities of the various domestic law enforcement, health, and international agencies involved in drug abuse problems.

During its brief existence, ODAP has already demonstrated that it can be an effective drug abuse policy and coordinating entity. It has demonstrated that it can surmount interagency rivalry and integrate drug abuse law enforcement, regulatory, international, prevention education, treatment and rehabilitation functions. In my view, it is an indispensable as the units in the executive office, such as the Council on Environmental Quality and the Council on Wage and Price Stability, which are to be retained under the reorganization plan. I therefore strongly disagree with the decision to terminate it.

Despite my disagreement, I have not elected to oppose the entire reorganization plan as proposed by the President, as I believe there are broader considerations involved than ODAP—particularly the need for reorganization of other entities in the executive office. We are restrained by the reorganization law from disapproving one portion of this reorganization plan. We must either accept or reject the entire plan. However, I would like to point out that ODAP was a creation of the Congress. It would certainly be an appropriate exercise of the legislative powers of Congress to reestablish ODAP or a comparable entity in the executive office if it decided to do so. Therefore, I can assure my colleagues that as chairman of the subcommittee which has legislative jurisdiction over drug abuse policy development and coordination, my subcommittee colleagues and I will be closely monitoring future drug abuse policies and activities in the executive office to determine their viability and effectiveness. I am hopeful that the Subcommittee on Health and Environment will be able to schedule oversight hearings early next year for this purpose. If, as a result of the subcommittee's oversight activities, the need for reestablishment of ODAP or a comparable entity is demonstrated to be desirable, I will not hesitate to recommend that appropriate implementing legislation be acted upon by the House and Senate, and I am sure that many of my colleagues in both Houses would join me in that action.

The CHAIRMAN. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 688

Resolved, That the House of Representatives does not favor the Reorganization Plan Numbered 1 transmitted to the Congress by the President on July 15, 1977.

Mr. BROOKS. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House, with the recommendation that the resolution be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 688) to disapprove reorganization plan No. 1 of 1977, had directed him to report the resolution back to the House, with the recommendation that the resolution be not agreed to.

The Clerk reported the resolution.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the resolution.

Mr. HORTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 20, nays 350, answered "present" 1, not voting 63, as follows:

[Roll No. 655]

YEAS—20

Ashley	Hagedorn	Rosenthal
Bauman	Hawkins	Scheuer
Bennett	Holt	Schroeder
Burke, Fla.	McClory	Spence
Dornan	McDonald	Walsh
English	O'Brien	Wydler
Gilman	Rangel	

NAYS—350

Abdnor	Devine	Johnson, Colo.
Akaka	Dickinson	Jones, N.C.
Alexander	Dicks	Jones, Okla.
Allen	Dingell	Jones, Tenn.
Ambro	Dodd	Jordan
Ammerman	Downey	Kasten
Anderson, Calif.	Drinan	Kastenmeier
Andrews, N.C.	Duncan, Oreg.	Kazen
Andrews, N. Dak.	Duncan, Tenn.	Kelly
Annunzio	Early	Ketchum
Applegate	Eckhardt	Kildee
Archer	Edgar	Kindness
Armstrong	Edwards, Ala.	Kostmayer
Ashbrook	Edwards, Calif.	Krebs
Aspin	Edwards, Okla.	Krueger
Badham	Eilberg	LaFalce
Baldus	Emery	Lagomarsino
Barnard	Erlenborn	Latta
Baucus	Ertel	Le Fante
Beard, R.I.	Evans, Colo.	Leach
Bedell	Evans, Del.	Lederer
Beilenson	Evans, Ga.	Leggett
Benjamin	Evans, Ind.	Lehman
Bevill	Fary	Lent
Blanchard	Fascell	Levitas
Blouin	Fenwick	Lloyd, Calif.
Boggs	Findley	Lloyd, Tenn.
Boland	Fish	Long, La.
Bonior	Fisher	Long, Md.
Bonker	Fithian	Lott
Brademas	Flippo	Luken
Breaux	Flood	Lundine
Breckinridge	Florio	McCloskey
Brinkley	Flowers	McCormack
Brodhead	Flynt	McDade
Brooks	Foley	McEwen
Broomfield	Ford, Tenn.	McFall
Brown, Mich.	Forsythe	McHugh
Brown, Ohio	Fountain	McKay
Broyhill	Fraser	McKinney
Buchanan	Frenzel	Madigan
Burgener	Fuqua	Mahon
Burke, Mass.	Gammage	Markey
Burleson, Tex.	Gaydos	Marlenee
Burlison, Mo.	Gephardt	Marriott
Burton, Phillip	Gibbons	Martin
Butler	Ginn	Mathis
Byron	Glickman	Mattox
Caputo	Gonzalez	Mazzoli
Carney	Gore	Meeds
Carr	Gradison	Meyner
Carter	Grassley	Michel
Cavanaugh	Gudger	Mikulski
Cederberg	Hall	Mikva
Chappell	Hamilton	Milford
Chisholm	Hammer-schmidt	Miller, Ohio
Clawson, Del	Hanley	Mineta
Cleveland	Hannaford	Minish
Cochran	Hansen	Mitchell, Md.
Cohen	Harkin	Mitchell, N.Y.
Coleman	Harris	Moffett
Collins, Tex.	Harsha	Mollohan
Conable	Heckler	Montgomery
Conte	Hefner	Moore
Corcoran	Heftel	Moorhead, Calif.
Corman	Hightower	Moorhead, Pa.
Cornell	Hillis	Moss
Cornwell	Hollenbeck	Mottl
Cotter	Holtzman	Murphy, Ill.
Coughlin	Horton	Murphy, Pa.
Cunningham	Howard	Murtha
D'Amours	Hubbard	Myers, Gary
Daniel, Dan	Huckaby	Myers, John
Daniel, R. W.	Hughes	Myers, Michael
Danielson	Hyde	Natcher
Davis	Ichord	Neal
de la Garza	Ireland	Nedzi
Dellums	Jacobs	Nichols
Derrick	Jeffords	Nix
Derwinski	Jenkins	Nolan
	Jenrette	Nowak

Oakar	Ryan	Thornton
Oberstar	Santini	Traxler
Obey	Sarasin	Trible
Ottinger	Satterfield	Tsongas
Panetta	Sawyer	Tucker
Patten	Schulze	Udall
Patterson	Sebelius	Vander Jagt
Pattison	Seiberling	Vanik
Pease	Sharp	Vento
Perkins	Shipley	Volkmer
Pettis	Shuster	Waggonner
Pike	Simon	Walgren
Poage	Sisk	Walker
Pressler	Skelton	Wampler
Preyer	Skubitz	Watkins
Price	Smith, Iowa	Waxman
Pritchard	Smith, Nebr.	Weaver
Quayle	Snyder	White
Quie	Solarz	Whitehurst
Quillen	Spellman	Whitley
Railsback	St Germain	Whitten
Regula	Staggers	Wiggins
Rhodes	Stanceland	Wilson, Bob
Richmond	Stanton	Wilson, C. H.
Rinaldo	Stark	Winn
Risenhoover	Steers	Wirth
Roberts	Steiger	Wright
Robinson	Stockman	Wylie
Rodino	Stokes	Yates
Roe	Stratton	Yatron
Rogers	Studds	Young, Alaska
Roncalio	Stump	Young, Fla.
Rooney	Symms	Young, Mo.
Rousselot	Taylor	Young, Tex.
Rudd	Thompson	Zablocki
Ruppe	Thone	Zeferetti

ANSWERED "PRESENT"—1

Weiss

NOT VOTING—63

Addabbo	Ford, Mich.	Pepper
Anderson, Ill.	Fowler	Pickle
AuCoin	Frey	Pursell
Badillo	Giaimo	Rahall
Bafalis	Goldwater	Reuss
Beard, Tenn.	Goodling	Rose
Biaggi	Guyer	Rostenkowski
Bingham	Harrington	Roybal
Bolling	Holland	Runnels
Bowen	Johnson, Calif.	Russo
Brown, Calif.	Kemp	Sikes
Burke, Calif.	Keys	Slack
Burton, John	Koch	Steed
Clausen, Don H.	Livingston	Teague
	Lujan	Treen
Clay	Maguire	Ullman
Collins, Ill.	Mann	Van Deerlin
Conyers	Marks	Whalen
Crane	Metcalfe	Wilson, Tex.
Delaney	Miller, Calif.	Wolff
Dent	Moakley	
Diggs	Murphy, N.Y.	

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Moakley.
Mr. Dent with Mr. Frey.
Mr. Bingham with Mr. Anderson of Illinois.
Mr. AuCoin with Mr. Bafalis.
Mrs. Burke of California with Mr. Goldwater.
Mr. Biaggi with Mr. Beard of Tennessee.
Mr. Miller of California with Mr. Whalen.
Mr. Pepper with Mr. Goodling.
Mr. Sikes with Mr. Crane.
Mr. Murphy of New York with Mr. Kemp.
Mr. Badillo with Mr. Livingston.
Mr. Fowler with Mr. Lujan.
Mr. Wolff with Mr. Guyer.
Mr. Harrington with Mr. Pursell.
Mr. Russo with Mr. Treen.
Mr. Reuss with Mr. Johnson of California.
Mr. Bowen with Mr. Holland.
Mr. Roybal with Mr. Marks.
Mr. Koch with Mr. Brown of California.
Mr. Diggs with Mr. Teague.
Mrs. Collins of Illinois with Mr. Clay.
Mr. Delaney with Mr. Don H. Clausen.
Mr. Conyers with Mr. Giaimo.
Mr. John L. Burton with Ms. Keys.
Mr. Ford of Michigan with Mr. Mann.
Mr. Maguire with Mr. Metcalfe.
Mr. Rose with Mr. Pickle.
Mr. Rostenkowski with Mr. Steed.
Mr. Slack with Mr. Runnels.
Mr. Van Deerlin with Mr. Ullman.
Mr. Charles Wilson of Texas with Mr. Rahall.

Mr. RONCALIO, Mrs. MEYNER, and Mr. BROWN of Ohio changed their vote from "yea" to "nay."

So the resolution was rejected.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the resolution (H. Res. 688) just rejected.

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

There was no objection.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE CONFERENCE REPORT ON H.R. 5101, ENVIRONMENTAL RESEARCH, DEVELOPMENT, AND DEMONSTRATION AUTHORIZATION ACT OF 1978

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight tonight to file a conference report on H.R. 5101, to authorize appropriations for activities of the Environmental Protection Agency, and for other purposes.

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

There was no objection.

FEDERAL BANKING AGENCY AUDIT ACT

Mr. ROSENTHAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2176) to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Federal Reserve Board, the Federal Reserve banks and their branches and check clearing, wire transfer, and security facilities, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. ROSENTHAL).

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 further consideration of the bill H.R. 2176, with Mr. CORNWELL in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on Wednesday, September 14, 1977, all time for general debate on the bill had expired.

Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substittue recommended by the Committee on Government Operations now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 2176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Federal Banking Agency Audit Act".

SEC. 2. Section 117 of the Accounting and Auditing Act of 1950 is amended by adding at the end thereof the following new subsection:

"(d)(1) The Comptroller General of the United States shall make, under such rules and regulations as he may prescribe, audits—

"(A) of the Federal Reserve Board, all Federal Reserve Banks, and their branches and facilities;

"(B) of the Federal Deposit Insurance Corporation; and

"(C) of the Office of the Comptroller of the Currency.

"(2) For purposes of this subsection, the term 'agency' means the agencies, banks, facilities, and corporation, listed in paragraph (1).

"(3) An audit made under paragraph (1)(A) shall not include transactions conducted on behalf of foreign central banks and foreign governments, transactions made under the direction of the Federal Open Market Committee including transactions of the Federal Reserve System Open Market Account, or monetary policy deliberations and decisions or the economic effects of such decisions.

"(4) The General Accounting Office (hereinafter in this subsection referred to as the Office) shall not conduct onsite examinations of open insured banks or bank holding companies without the written consent of the agency concerned.

"(5)(A) Except as otherwise provided in this paragraph, no officer or employee of the Office shall disclose to any person, nor shall the Office disclose in its report or otherwise outside of the Office, any information in a form which would (i) identify a specific customer of an open or closed bank or bank holding company, or (ii) identify a specific open bank or open bank holding company.

"(B) The Office may disclose information in a form which would identify a customer of a closed bank or closed bank holding company only if that customer, in the opinion of the Comptroller General, had a controlling influence in the management of such closed bank or closed bank holding company or was related to or affiliated with such a controlling person or group, and then only to the extent that such disclosures relate to the affairs of such closed bank or closed bank holding company.

"(C) Subparagraph (A) shall not be deemed to prohibit the Office or its employees from discussing specific customers, banks, or bank holding companies with officials of any of the agencies or from reporting apparent criminal law violations to appropriate State or Federal law enforcement agencies.

"(D) Nothing in this subsection shall authorize the withholding of information by any officer or employee of the Office from a duly authorized committee or subcommittee of the Congress. Any information requested by such committee or subcommittee which would not be authorized to be disclosed by the Office under subparagraph (A) shall be furnished to such committee or subcommittee or subcommittee only when sitting in executive session.

"(E) Nothing in this subsection shall authorize the withholding of information by any officer or employee of an agency from a duly authorized committee or subcommittee of the Congress.

"(6)(A) The Comptroller General shall, as

frequently as may be practicable, make reports to the Congress on the results of audit work performed under this subsection.

"(B) An advance draft of such Office audit report shall be made available to the agency concerned (other than banks, branches, and facilities) for thirty days for agency comment on the contents thereof. The final report shall include, as an addendum, any written comments submitted by the agency within such period.

"(7)(A) For the purposes of, and to the extent necessary in making audits required by paragraph (1), representatives of the Office shall have access to all books, accounts, records, reports, files, memorandums, papers, things, and property belonging to or in use by the entities being audited, including reports of examination of banks or bank holding companies, from whatever source, together with workpapers and correspondence relating to such reports whether or not a part of the reports; and all without deletions.

"(B) The Comptroller General shall have the authority to authorize Office personnel to coduct such audits and to have access to agency materials described in subparagraph (A) and shall provide the agencies with an up-to-date listing of such personnel, who upon proper identification shall be granted access to such agency materials and shall be permitted to make whatever notes or copies they deem necessary to proper conduct of the audit.

"(C) The agencies shall provide such Office personnel with suitable, lockable office space and furniture, telephone, and access to copying facilities.

"(D) All Office workpapers, and agency materials described in subparagraph (A) which come into possession of the Office during an audit, shall remain on the agency's premises, except for temporary removal of Office workpapers which do not identify a specific customer, bank, or bank holding company as provided in paragraph (5)(A). Such agency materials shall be strictly maintained in order to prevent any unauthorized access.".

SEC. 3. Section 1906 of title 18, United States Code, is amended by inserting immediately after "or either House duly authorized," the following: "or as authorized by section 117(d) of the Accounting and Auditing Act of 1950,".

Mr. ROSENTHAL (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

AMENDMENTS OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Chairman, I offer two amendments and I ask unanimous consent that they be considered en bloc.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. ASHLEY: Strike the text of paragraph (3) and insert in lieu thereof:

An audit made under paragraph (1)(A) shall not include—

(A) transactions conducted on behalf of or with foreign central banks, foreign governments, and nonprivate international financing organizations;

(B) deliberations, decisions, and actions on monetary policy matters, including discount window operations, reserves of member banks, securities credit, interest on deposits, and open market operations;

(C) transactions made under the direction of the Federal Open Market Committee including transactions of the Federal Reserve System Open Market Account; and

(D) those portions of oral, written, telegraphic, or telephonic discussions and communications among or between Members of the Board of Governors, and officers and employees of the Federal Reserve System which deal with topics listed in subparagraphs (A), (B), and (C) of this paragraph.

On page six, line 14, of the Committee Print of H.R. 2176, insert after the word "include" the phrase "statistically meaningful samples, determined by the Office, of".

Mr. ASHLEY. Mr. Chairman, the first of my amendments would change the monetary policy exclusion to specifically exclude Federal Reserve discount window operations from GAO audits. As voted out by the Committee on Government Operations, H.R. 2176 excluded all Federal Reserve monetary policy activities. In the legislative report, however, an attempt was made to distinguish between "monetary policy" and "bank supervisory" discount window operations, with the understanding that the GAO would have authority to audit discount window transactions which relate to bank supervision, but not those which implement monetary policy. Though I understand and appreciate the distinction, I am convinced it has no practical applicability. Ample evidence of this is provided by the example given in the legislative report itself.

The report suggests the Federal Reserve loans to Franklin National Bank were supervisory in nature; that is, they were made because Franklin was a "problem bank." While it is true Franklin was a "problem bank," the loans were made mainly to keep Franklin's problems from upsetting international money markets, and not to save the bank.

It would be impossible for GAO to audit the Federal Reserve loans to Franklin without delving into the Federal Reserve's monetary policy responsibility to maintain the stability of domestic and international money markets. This is actually the case for all discount window loans, whether they are made to large international banks such as Franklin or to small country banks. All such loans in one way or another relate to local or regional credit needs and money market stability and, consequently, are inextricably bound up in monetary policy.

To assure this legislation will not become a device for putting political pressure on monetary policy formulation, we must amend the monetary policy exclusion to prohibit the GAO from auditing discount window loans.

The amendment I offer to accomplish this is the result of discussions among supporters of H.R. 2176 and represents, I believe, a constructive consensus of varying points of view.

My second amendment, Mr. Chairman, would alter the access provisions of H.R. 2176 to enable the GAO to have access to samples of bank examination reports which are representative and suitable for GAO's audit purposes.

This amendment will not reduce GAO's audit effectiveness in any way. The focus of the audits authorized by H.R. 2176 is on agency operations and not on banks or bank holding companies. Consequently, examination report samples should be acceptable in documenting agency practices and procedures. The samples GAO used in their recent audit of Federal bank regulation are good examples of this.

Nevertheless, no agency should interpret this amendment as a means of thwarting a GAO audit by not agreeing with the GAO on what is a suitable sample. Whether the audit is initiated by the GAO itself as provided for in this legislation or is the result of a request by a congressional committee or subcommittee, the GAO has full authority to determine which examination reports will be audited so long as the reports chosen are statistically relevant to the purpose of the audit.

Mr. Chairman, I support this legislation and strongly believe my two amendments will make H.R. 2176 an effective addition to Congress' ability to oversee the operations of the Federal bank regulatory agencies. I urge my colleagues to vote favorably on these amendments.

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

Mr. ASHLEY. I yield to the gentleman from New York, the distinguished chairman of the subcommittee.

Mr. ROSENTHAL. Mr. Chairman, when the Commerce, Consumer and Monetary Affairs Subcommittee marked up H.R. 2176, Congressman ST GERMAIN sought to distinguish between "monetary policy" and "bank supervisory" discount window loans to commercial banks. This distinction makes a great deal of sense to me, and I believe if the functions of the discount window were better understood, there would be little objection to authorizing GAO audits of nonmonetary policy loans.

The distinction, however, is difficult to express in legislation at this time, and will require oversight hearings into Federal Reserve use of the discount window to determine precisely what kinds of loans relate to monetary policy and which do not. With the help of my friend and colleague, Mr. ST GERMAIN, I intend to convene such hearings and if the distinction can be documented, we will seek to amend the Federal Banking Agency Audit Act to allow the GAO to audit nonmonetary policy discount window loans.

In the meantime I accept the monetary policy amendment offered by Mr. ASHLEY, and urge my colleagues to accept it also.

Mr. Chairman, I also accept Mr. ASHLEY's second amendment so long as it is understood that the GAO has the final say on whether any sample satisfies its audit objectives and that this authority exists whether an audit is initiated by the GAO, or by a congressional committee or subcommittee.

Because the legislative intent in this amendment may not be clear, Mr. Chairman, I insert at this point in the RECORD an example of how statistical samples are selected:

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., March 19, 1976.

To: The Honorable Benjamin S. Rosenthal, Chairman, House Committee on Government Operations, Commerce, Consumer and Monetary Affairs Subcommittee.

From: Dr. Daniel Melnick, Analyst, Government Division (Frederick Pauls, Deputy Division Chief).

Subject: Sampling procedure for the Subcommittee's proposed study of the Comptroller of the Currency's examination and supervision of large national banks.

This memorandum responds to your request for an opinion on the appropriate sampling procedure for a contemplated study of the examination of large national banks. It transmits the report of Dr. Benjamin Tepping which was commissioned by CRS at your specific request.

Because the Subcommittee has decided to restrict its study to those banks with $1 billion or more in deposits as of December 31, 1975,[1] Dr. Tepping's recommendations are confined to the case in which this limitation applies.

Dr. Tepping's report concludes that:

1. The most valid and cost effective procedure would call for the inclusion of all 61 banks in the sample.

2. Several "feasible and mathematically valid" procedures are available for sampling the loans for study within each bank. However, the information currently available to the Subcommittee is not adequate to determine which of these plans would be most advisable and valid. Nevertheless, once the Subcommittee has access to the basic documents, it would be possible to recommend a valid sampling technique. Dr. Tepping presents an outline of the considerations which might enter into the design of the sampling plan.

Dr. Benjamin J. Tepping [401 Apple Grove Road, Silver Spring, Maryland] is an experienced statistical consultant. He holds the PhD in Mathematics from Ohio State University and served with the Bureau of the Census for 24 years before his retirement from Government service in 1973. For a period of 10 years he was the Chief, Research Center for Measurement Methods, U.S. Bureau of the Census.

I trust this memorandum and the accompanying report meet your needs. If there is any way in which I can be of further service to you, please do not hesitate to call me on 426–5824.

SAMPLING PLAN FOR A STUDY OF BANK EXAMINERS' EVALUATIONS

(By Benjamin J. Tepping, Ph.D.)

Recommendation: A proposed study of the supervision and examination of the 61 largest national banks would require an analysis of the accuracy of examination evaluation of bank assets.

After careful consideration of the statistical problems involved, I recommend that the sample include all 61 of the largest banks, and that a sample of loans be selected for observation in each bank. The precise size and design of the sample of loans should await the determination of the relevant parameters. Plans should be made to estimate the sampling errors of the important statistics that are to be based on the sample.

Statement of the problem. For the ten-year period 1965–1975, it is proposed to study the evaluations by bank examiners of loans in the 61 largest banks of the United States. More specifically, the problem may be described as follows. In each bank, bank examiners review the loans outstanding at a given time, and classify them into five classes of degree of risk:

1. Satisfactory.
2. Specially mentioned.
3. Substandard.
4. Doubtful.
5. Loss.

The examination in a given bank may take place at intervals of 6 months, 12 months or 18 months. Generally, only loans of $3,000 or more are subjected to examination. A loan once classified by the examiner as less than satisfactory (classes 2–5) is reviewed during subsequent examinations until the debt has either been satisfied or has been written off its books by the bank.

It is the object of the proposed study to estimate the proportion of the loan value that turns out to be "actual loss." The proportion would be estimated separately for each of the classes 2–5 listed above, in each of three phases of the economic cycle: rising, level and falling. (For the latter purpose, each examination period would be defined as belonging in one of the three phases of the economic cycle.) In this study, an "actual loss" would be defined as a loan which has been classified by the examiner as less than satisfactory for three years and which is in arrears at the end of three years.

The data-gathering process. The basic record consists of a record for each loan classified by the bank examiner as being in classes 2–5 at the given examination or at the preceding examination. The records are organized by bank and examination period, and alphabetically within these groups. For each bank and examination period, the loans of concern to the study are those that were in classes 2–5 for the first time in this examination period. Thus, the data-gathering process consists of determining whether a given loan listed for the examination period was also listed for the preceding examination period, and if not how it is classified in each examination period for the following three years, including the determination of whether the loan is in arrears.

Some alternative study designs. The first question that arises is whether it is necessary to observe every loan in every one of the 61 banks for the ten-year period, or whether satisfactory results can be obtained from a suitably selected sample of banks and/or of loans. This question should be considered in the light of (a) the degree to which examiners in different banks may differ among themselves in the way in which they classify loans, and (b) the relationship of the cost of including a bank in the study to the cost of including an individual loan in the study. With respect to (a), we anticipate that there may be variation examiners and among banks. This fact should lead to the inclusion of a larger number of banks in the study than would otherwise be the case. With respect to (b), we expect that the operational cost of including a bank in the study may be of the same order of magnitude as the cost of including a single loan in the study. This would indicate that increasing the sample by one bank would cost about the same as increasing the sample by one loan. Since the former course would decrease the average sampling error more than the latter course in view of the expected variation among banks, it is better to increase the number of banks in the study. The mathematical analysis sketched in the Appendix bears this out. We therefore recommend the inclusion of all 61 banks in the study.

We now consider the selection of a sample of loans for the study. There are several alternatives which are both feasible and mathematically valid. Without more information, not yet available, it is not possible to choose among these. However, some principles that should be applied may be noted.

The classes 2–5 may differ from one another considerably in the number of loans that they include. Nevertheless, if it is desired to make estimates for each of these classes, the number of loans selected for study should be about the same in each class since such a choice will make the sampling errors approximately equal for the various classes. Alternatively, further study of the problem may indicate that the estimates should be made for some combinations of classes, rather than for individual classes.

Having determined the number of loans to be selected from each class, maximum precision of the estimates will be attained by selecting the sample loans with probability proportionate to their values. In application this means including in the study every loan whose value exceeds a specified critical value, which can be determined when more information is available. Smaller loans should then be sampled by cumulating their values and selecting the loans that contain every n-th dollar of value (preferably with a random start). Such a plan can be implemented simply. An alternative is to group the loans of similar value, and to select a sample of loans in each group with the number of loans selected being approximately proportional to the total value of the loans in the group.

Estimation of sampling error. For any of the sampling plans noted above, it will be possible to make estimates of the sampling error based on the date contained in the sample itself. This is an important advantage of the use of probability sampling designs in such surveys. The appropriate form of the estimate of sampling error will depend upon the way in which the sample is drawn and upon the manner in which the estimates of the required proportions are construed.

APPENDIX.—OPTIMUM CHOICE OF A SAMPLE OF BANKS AND LOANS

For a given phase of the economic cycle, let us define

M=number of banks (=61)

m=number of banks selected at random for the sample

$\overline{N}_i$=average number of loans, per bank, assigned to class i by the bank examiner for the first time (i=2, 3, 4 or 5)

$\overline{n}_i$=average number of loans selected at random among the $\overline{N}_i$

Then the variance (square of the standard error) of the estimated proportion of "actual loss" for class i may be given approximately in the form

$$\frac{\sigma^2}{\bar{x}_i} = \frac{P_i(1-P_i)}{m\overline{n}_i}[1+(\overline{n}_i-1)\delta_i]$$

where δ_i is a certain measure of the homogeneity of the loans of class i within the same bank, with respect to whether the loan is an "actual loss" or not, and P_i is the proportion of "actual loss" among the dollars in the loans of class i.

We assume that the total cost of carrying out the study may be written in the form

$$C = C_0 + C_1 m + C_2 m \Sigma \overline{n}_i$$

To simplify, we suppose that the same number of loans is selected for study in each class i, and hence let $\overline{n}_i = \overline{\overline{n}}$. In this cost formula, C_0 denotes the total fixed cost which is independent of the number of banks or loans that are included in the sample, C_1 denotes the cost per bank selected (including such costs as those of obtaining the records for the bank, organizing them suitable and identifying the loans to be included in the sample), and C_2 denotes the cost per loan included in the sample. It can then be shown that the values of $\overline{\overline{n}}$ and m

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[1] There are 61 banks.

which minimize the sampling error for a given total cost C are, approximately,

$$\bar{n} = \frac{1}{k}\sqrt{\frac{C_1}{C_2}\,\frac{1-\delta}{\delta}}$$

where $k=4$ is the number of classes involved, so that kn is the average number of loans in the sample per bank. With the relationship between C_1 and C_2 that is expected, and with even unrealistically small values of δ, the indicated optimum value of m is large.

This is a study prepared by the Congressional Reserve Service presenting the proposed study of the Comptroller of the Currency's examination and supervision of large national banks. I am not suggesting the procedure in this report should be the model for GAO's selection process. This report is simply an example of what is intended in this amendment—that is, the GAO will only have access to examination report samples selected by the GAO which are statistically meaningful in light of the objectives of the audit.

Mr. Chairman, both the monetary policy and the sampling amendments have been worked out and agreed to. The amendments are noncontroversial, and I strongly urge my colleagues to join me in accepting them.

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

Mr. ASHLEY. I yield to the distinguished chairman of the full committee.

Mr. BROOKS. Mr. Chairman, I rise in support of this legislation and of both of these amendments offered by my distinguished friend, the gentleman from Ohio (Mr. ASHLEY).

I have supported this legislation to authorize the General Accounting Office to audit the banking agencies. As I said in my remarks during general debate on this bill, these agencies spend over $800 million a year, and this legislation is necessary if Congress is to carry out its oversight responsibilities in an effective manner.

As reported from the Committee on Government Operations, the bill excluded certain areas from GAO review. These exclusions included monetary policy deliberations and decisions; transactions of the Open Market Account; and certain transactions of foreign governments. The amendments offered by the gentleman from Ohio do not conflict with the provision reported by the committee, but further clarifies those areas that are intended to be outside the purview of the GAO, particularly with regard to discount window operations in the Federal Reserve System.

The other amendment, which provides that the GAO shall have access to a statistically meaningful sample of examination reports will not restrict the GAO in its ability to carry out its responsibilities under this bill, and it is, in essence, a statement of what would undoubtedly be the practice in any event. I urge acceptance of the amendments.

PARLIAMENTARY INQUIRY

Mr. BROWN of Michigan. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Michigan. Were two amendments offered, or only one?

The CHAIRMAN. Two amendments were offered en bloc.

Mr. BROWN of Michigan. I thank the chairman.

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

Mr. ASHLEY. I am happy to yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, the need for greater oversight on the activities of the Federal bank supervisory agencies is painfully apparent and our colleague, the distinguished chairman of the Commerce, Consumer, and Monetary Affairs Subcommittee, is to be commended for bringing this audit bill to the floor.

And I know that BEN ROSENTHAL joins me in commending JACK BROOKS, chairman of the full Committee on Government Operations, who has so steadfastly supported the work of the subcommittee and who has worked diligently to clear the roadblocks from the path of this much-needed legislation. It has been an excellent display of teamwork within the committee and it is the kind of cooperation that makes legislation move.

Mr. Chairman, some have expressed great concern about the Federal Reserve and this audit—fear that the monetary policy of the Federal Reserve would be second-guessed by the accountants at the General Accounting Office. The Ashley amendment being offered today is designed to further build a wall between the GAO and certain functions of the Federal Reserve. In my opinion, this is not necessary, but in the interests of seeing this legislation move, I am willing to join Mr. ROSENTHAL in accepting the amendment.

While no one ever seriously expected the GAO to comment on monetary policy, I do find this almost emotional concern over the open market committee operations to be troublesome. I find it peculiar that anyone would suggest that anyone, anywhere in this United States of America, should be restrained from studying or commenting on any policy and the manner in which it is carried out by any agency of the Federal Government. Any citizen should have that right; and certainly the Congress should question why it would be limiting its access or that of its agents to any functons carried out in the executive branch or the regulatory agencies.

In addition to firmly shutting off the GAO from aspects of the Federal open market committee operations, the Ashley amendment would prevent the GAO from looking at the discount window operations—the mechanism by which the Federal Reserve extends those low-interest loans to commercial banks.

In my opinion, this little service which the Federal Government provides the banking industry should be audited from time to time. It is not a monetary policy function in any large sense; it is often used as a supervisory tool and it clearly has the potential for awarding or penalizing commercial banks. We ought to review its functions and its impact on the industry and on regulation.

We know that the discount window was used to prop up the now-defunct Franklin National Bank in New York, long after it was clear that the bank was going under. In fact, the Federal Reserve poured $1.9 billion into that failing bank and this action had a major impact on two other bank supervisory agencies—the Comptroller of the Currency and the Federal Deposit Insurance Corporation and the discount window advances undoubtedly had an impact on the rights of the shareholders and the creditors of that bank.

On September 28, I questioned Mr. George LeMaistre, Chairman of the FDIC, during hearings in the Financial Institutions Subcommittee and he agreed fully that the discount window had substantial impact on bank supervision including the insurance fund of FDIC. I want to place in the RECORD a copy of that exchange with Chairman LeMaistre:

Mr. ST GERMAIN. Mr. LeMaistre, if my information is correct, the FDIC is paying off the Federal Reserve for its advances through discount window to the failed Franklin National Bank. Is that correct?

Mr. LEMAISTRE. Yes, sir.

Mr. ST GERMAIN. That is still occurring?

Mr. LEMAISTRE. Yes, sir. I think that the balance due is somewhere around a half a billion dollars at the moment. It was originally a billion, seven hundred million dollars.

And at the present time, that note will come due in October, sometime within the next 60 days. I think that we will probably pay the balance and simply pay ourselves for the advance, rather than continue to carry it as an outstanding liability.

Mr. ST GERMAIN. Therefore, Chairman LeMaistre, is it not fair to state that the operations of the Fed's discount window does in fact have an impact on the insurance fund, and on bank supervision?

Mr. LEMAISTRE. Well, it is going to have an impact if we pay them out of the insurance fund. There's no doubt about it. Actually, we have enough assets to repay ourselves as we collect them. And I don't think there will be an adverse impact. But you are right, it does affect the insurance fund.

Again, I do not want to imperil this bill today by fighting the Ashley amendment. But, we are limiting the audit as it relates to the Federal Reserve and this is something we will have to return to in the near future if Congress is to properly carry out its constitutional duties in these areas.

This bill is an important step forward. While it comes out of the Government Operations Committee, it will provide important tools for the Banking Committee as well. It should be passed by an overwhelming vote.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to my colleague from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. I thank the gentleman for yielding to me.

The gentleman's amendment includes in the exclusion for monetary policy, margin requirements, operations of the discount window. The third area there was some concern about was the including in the audit of the payments mechanism of the Fed. There is a distinction between what may be determined from

the payments mechanism, that is, the purely operational aspects of this activity and that data which affects monetary policy,

Would not the gentleman agree that it is the intent of his amendment, plus what is already in the bill, to exclude from the audit all aspects of monetary policy and to extent that the payments mechanism involves or affects the determination of monetary policy, that it would not be subject to or commented upon by the GAO in its report?

Mr. ASHLEY. The gentleman has stated it precisely, as I see the situation. It reflects my motives for offering this particular amendment, that is to say, the one that the gentleman is addressing himself to.

The legislation reported by the Committee on Government Operations, the legislation itself, it seemed to me, was appropriate; but the report language raised some questions which I felt did need to be answered, specifically, in the legislation itself.

Mr. Chairman, I appreciate very much the contribution of my good friend, the gentleman from Michigan (Mr. BROWN). I think that he has spread on the record more precisely and with considerable perspective the exact reasons why he and I, and others, the chairman of the committee, the chairman of the subcommittee, the gentleman from Rhode Island, all of us, understand, I think, more fully now the reason for the importance of the amendment.

Mr. STANTON. Mr. Chairman, would the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio.

Mr. STANTON. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of these two amendments, and I would only say to my good friend in the well, the gentleman from Ohio (Mr. ASHLEY), of course, that not everybody is happy with this legislation. The Chairman of the Federal Reserve Board has some basic objections to the legislation as a whole. But I think that the Committee on Government Operations, combined with our committee, is to be congratulated in doing the job as we have seen fit to do here today, and I congratuate the gentleman in the well for all of this.

Mr. ASHLEY. Mr. Chairman, I appreciate very much the comment of the gentleman and the gentleman's help.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. ASHLEY).

The amendments were agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan:

SEC. 3. Section 1906 of Title 18, United States Code, is amended to read as follows:

"§ 1906. Disclosure of Information from a Bank Examination Report

"Whoever, being an examiner, public or private, or a General Accounting Office employee with access to bank examination report information under Section 117(d) of the Accounting and Auditing Act of 1950, discloses the names of borrowers or the collateral for loans of any member bank of the Federal Reserve System, or bank insured by the Federal Insurance Corporation examined by him or subject to General Accounting Office audit under Section 117(d) of the Accounting and Auditing Act of 1950 to other than the proper officers of such bank, without first having obtained the express permission in writing from the Comptroller of the Currency as to a national bank, the Board of Governors of the Federal Reserve System as to a State member bank, or the Federal Deposit Insurance Corporation as to any other insured bank, or from the board of directors of such bank, except when ordered to do so by a court of competent jurisdiction, or by direction of the Congress of the United States, or either House thereof, or any committee of Congress or either House duly authorized or as authorized by section 117(d) of the Accounting and Auditing Act of 1950 shall be fined not more than $5,000 or imprisoned not more than one year or both.".

Mr. BROWN of Michigan (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 Michigan?

There was no objection.

Mr. BROWN of Michigan. Mr. Chairman, I think there is general agreement upon this amendment. It merely extends the criminal sanctions to those additional persons who would have access because of this legislation to bank examination reports as are presently applicable to bank regulators and their employees.

I think that we want those who would have access to the reports subject to the same criminal sanctions as the personnel of the regulators are presently subject to.

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

Mr. BROWN of Michigan. I yield to the gentleman from New York.

Mr. ROSENTHAL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Michigan (Mr. BROWN) proposes that we subject GAO auditors to the same penalties for unauthorized examination report disclosures as now apply to bank examiners.

GAO auditors are already prohibited from disclosing confidential materials and information in an unauthorized manner by title 18, United States Code, section 1905—the general Federal confidentiality statute. Though it might be somewhat redundant, subjecting GAO banking agency auditors to 18 U.S.C. 1906 would not be harmful.

Mr. Chairman, we have no objection to the amendment offered by the gentleman from Michigan (Mr. BROWN) and we urge its adoption.

Mr. BROOKS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment. The gentleman from Michigan, the ranking member of the subcommittee which handled this legislation, has worked very hard on it and is very knowledgeable in this area. His amendment would make certain that GAO auditors having access to bank examination reports are subject to the same sanctions as bank examiners having access to the same reports. The amendment is entirely consistent with the intent of the committee, and I would urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROWN).

The amendment was agreed to.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of H.R. 2176, the Federal Banking Agency Audit Act, which will authorize the General Accounting Office to conduct audits of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The issue of whether the GAO should audit the Federal Reserve System has been before this House for several Congresses, and it is gratifying to see that we are finally going to pass this legislation, which applies to all of the banking agencies.

Although there has been a great deal of discussion about the possible effects of an audit upon the Federal Reserve's monetary policy and supervisory functions of the Fed, it is not the purpose of this legislation to infringe upon either of these functions. Congress has sufficient tools to exercise direct oversight over these functions without interfering in day-to-day operations.

The reason why I believe it is important that this legislation be enacted and implemented is so that the GAO, as an arm of Congress, can audit those aspects of the Fed's operations which would be audited if they were performed by any other agency. Although the Federal Reserve is not subject to the appropriation process, it is a creature of Congress, and the excess of its income over expenses is returned to the Treasury, so that it does in fact operate with public funds.

There are several aspects of Federal Reserve operations for which a thorough audit is long overdue, the most significant of which is the automatic clearing house (ACH) facilities which the Fed has put in place over a period of years at an annual cost for capital investment and operations. Such an audit would assist Congress in determining, first, why the Federal Reserve System has moved to assume control of the check clearing functions of the American banking industry, and second, whether the continued provision by the Fed of "free" check clearing services to member banks is justified in view of the effects on competition of "tying" these services to membership in the Federal Reserve.

Nothing less than a thorough, independent assessment of the efficiency and economy with which check clearing and other operational services are performed

will suffice to enable Congress to fulfill its oversight responsibilities with respect to the Federal Reserve System.

I urge my colleagues to approve this legislation, so that these long-overdue audits will not be further delayed.

The CHAIRMAN. Are there additional amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CORNWELL, 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. 2176) to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General, of the Federal Reserve Board, the Federal Reserve banks and their branches and check clearing, wire transfer, and security facilities, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, pursuant to House Resolution 728, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

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

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

The SPEAKER. The question is on the passage of the bill.

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 336, nays 24, answered "present" 3, not voting 71, as follows:

[Roll No. 656]

YEAS—336

Akaka	Ashbrook	Blouin
Alexander	Ashley	Boggs
Allen	Aspin	Bonior
Ambro	Badham	Bonker
Ammerman	Baldus	Brademas
Anderson, Calif.	Barnard	Breaux
	Baucus	Breckinridge
Andrews, N.C.	Beard, R.I.	Brinkley
Andrews, N. Dak.	Bedell	Brodhead
	Beilenson	Brooks
Annunzio	Benjamin	Broomfield
Applegate	Bennett	Brown, Mich.
Archer	Bevill	Brown, Ohio
Armstrong	Blanchard	Buchanan
Burgener	Hillis	Perkins
Burke, Fla.	Hollenbeck	Pettis
Burke, Mass.	Holtzman	Pike
Burlison, Mo.	Horton	Pressler
Burton, Phillip	Howard	Preyer
Butler	Hubbard	Price
Byron	Huckaby	Pritchard
Caputo	Hughes	Quayle
Carney	Hyde	Quie
Carr	Ichord	Railsback
Carter	Ireland	Rangel
Cavanaugh	Jacobs	Regula
Cederberg	Jeffords	Rhodes
Chappell	Jenkins	Richmond
Chisholm	Jenrette	Rinaldo
Cleveland	Johnson, Colo.	Risenhoover
Cohen	Jones, N.C.	Robinson
Coleman	Jones, Okla.	Rodino
Conte	Jones, Tenn.	Roe
Corcoran	Jordan	Roncalio
Corman	Kasten	Rooney
Cornell	Kastenmeier	Rosenthal
Cornwell	Kazen	Rousselot
Coughlin	Ketchum	Rudd
Cunningham	Kildee	Ryan
D'Amours	Kindness	Santini
Daniel, Dan	Kostmayer	Sarasin
Daniel, R. W.	Krebs	Sawyer
Danielson	Krueger	Scheuer
Davis	LaFalce	Schroeder
de la Garza	Lagomarsino	Schulze
Delaney	Le Fante	Sebelius
Dellums	Leach	Seiberling
Derrick	Lederer	Sharp
Dickinson	Leggett	Shipley
Dicks	Lehman	Shuster
Dingell	Lent	Simon
Dodd	Levitas	Sisk
Dornan	Lloyd, Calif.	Skelton
Downey	Lloyd, Tenn.	Skubitz
Drinan	Long, La.	Smith, Iowa
Duncan, Oreg.	Long, Md.	Smith, Nebr.
Duncan, Tenn.	Luken	Snyder
Early	Lundine	Solarz
Eckhardt	McCloskey	Spellman
Edgar	McCormack	Spence
Edwards, Ala.	McDade	St Germain
Edwards, Calif.	McDonald	Staggers
Edwards, Okla.	McFall	Stangeland
Eilberg	McHugh	Stanton
Emery	McKay	Stark
English	McKinney	Steers
Erlenborn	Mahon	Steiger
Ertel	Markey	Stokes
Evans, Colo.	Marlenee	Stratton
Evans, Del.	Martin	Studds
Evans, Ind.	Mathis	Stump
Fary	Mattox	Symms
Fascell	Mazzoli	Thompson
Fenwick	Meeds	Thone
Findley	Meyner	Thornton
Fish	Michel	Traxler
Fisher	Mikulski	Trible
Fithian	Mikva	Tsongas
Flippo	Milford	Tucker
Flood	Miller, Ohio	Udall
Florio	Mineta	Ullman
Flowers	Minish	Vander Jagt
Flynt	Mitchell, Md.	Vanik
Foley	Mitchell, N.Y.	Vento
Ford, Tenn.	Moffett	Volkmer
Forsythe	Mollohan	Walgren
Fountain	Moore	Walker
Fraser	Moorhead, Calif.	Walsh
Fuqua		Wampler
Gammage	Moorhead, Pa.	Watkins
Gaydos	Moss	Waxman
Gephardt	Mottl	Weaver
Gibbons	Murphy, Ill.	Weiss
Gilman	Murphy, Pa.	White
Ginn	Murtha	Whitehurst
Glickman	Myers, Gary	Whitley
Gonzalez	Myers, John	Whitten
Gore	Myers, Michael	Wiggins
Gradison	Natcher	Wilson, Bob
Gudger	Neal	Wilson, C. H.
Hagedorn	Nedzi	Wilson, Tex.
Hall	Nichols	Wirth
Hamilton	Nix	Wright
Hanley	Nolan	Wydler
Hannaford	Nowak	Wylie
Harkin	Oakar	Yates
Harris	Oberstar	Yatron
Harsha	Obey	Young, Alaska
Hawkins	Ottinger	Young, Fla.
Heckler	Panetta	Young, Mo.
Hefner	Patten	Young, Tex.
Heftel	Patterson	Zablocki
Hightower	Pease	Zeferetti

NAYS—24

Bauman	Conable	Hammer-schmidt
Burleson, Tex.	Derwinski	
Clawson, Del	Devine	Hansen
Cochran	Frenzel	Holt
Collins, Tex.	Grassley	Kelly
Latta	Madigan	Taylor
Lott	Marriott	Waggonner
McClory	Montgomery	
McEwen	Satterfield	

ANSWERED "PRESENT"—3

O'Brien	Quillen	Winn

NOT VOTING—71

Abdnor	Diggs	Pattison
Addabbo	Evans, Ga.	Pepper
Anderson, Ill.	Ford, Mich.	Pickle
AuCoin	Fowler	Poage
Badillo	Frey	Pursell
Bafalis	Giaimo	Rahall
Beard, Tenn.	Goldwater	Reuss
Biaggi	Goodling	Roberts
Bingham	Guyer	Rogers
Boland	Harrington	Rose
Bolling	Holland	Rostenkowski
Bowen	Johnson, Calif.	Roybal
Brown, Calif.	Kemp	Runnels
Broyhill	Keys	Ruppe
Burke, Calif.	Koch	Russo
Burton, John	Livingston	Sikes
Clausen Don H.	Lujan	Slack
	Maguire	Steed
Clay	Mann	Stockman
Collins, Ill.	Marks	Teague
Conyers	Metcalfe	Treen
Cotter	Miller, Calif.	Van Deerlin
Crane	Moakley	Whalen
Dent	Murphy, N.Y.	Wolff

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Frey.
Mr. Moakley with Mr. Anderson of Illinois.
Mr. Dent with Mr. Bafalis.
Mr. AuCoin with Mr. Goldwater.
Mrs. Burke of California with Mr. Beard of Tennessee.
Mr. Biaggi with Mr. Pattison of New York.
Mr. Koch with Mr. Goodling.
Mr. Miller of California with Mr. Crane.
Mr. Pepper with Mr. Kemp.
Mr. Murphy of New York with Mr. Livingston.
Mr. Badillo with Mr. Lujan.
Mr. Fowler with Mr. Treen.
Mr. Wolff with Mr. Johnson of California.
Mr. Harrington with Mr. Holland.
Mr. Russo with Mr. Marks.
Mr. Reuss with Mr. Teague.
Mr. Bowen with Mr. Clay.
Mr. Roybal with Mr. Don H. Clausen.
Mr. Diggs with Mr. Giaimo.
Mrs. Collins of Illinois with Ms. Keys.
Mr. Conyers with Mr. Metcalfe.
Mr. Ford of Michigan with Mr. Pickle.
Mr. Maguire with Mr. Runnels.
Mr. Rogers with Mr. Abdnor.
Mr. Rose with Mr. Rahall.
Mr. Rostenkowski with Mr. Brown of California.
Mr. Slack with Mr. Broyhill.
Mr. Van Deerlin with Mr. Guyer.
Mr. Bingham with Mr. Stockman.
Mr. Boland with Mr. Steed.
Mr. John L. Burton with Mr. Ruppe.
Mr. Sikes with Mr. Pursell.
Mr. Cotter with Mr. Mann.
Mr. Roberts with Mr. Evans of Georgia.

Messrs. SATTERFIELD, DEVINE, LATTA, LOTT, and HANSEN changed their vote from "yea" to "nay."

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

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended to read: "A bill to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes.".

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR TODAY AND WEEK OF OCTOBER 17

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to the program for the balance of the day and next week.

Mr. WRIGHT. Mr. Speaker, will the distinguished minority leader yield?

Mr. RHODES. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, there is only one more bill remaining on our calendar for this week. It will be taken up as soon as we have completed the announcement of the calendar for next week. That bill is H.R. 4297, the Marine Protection Authorization Act. All general debate has been finished, and when the votes are concluded on that bill, and any amendments that may be offered, the business of the House will have been concluded and it will be our purpose to adjourn until next Monday.

On Monday next the House will meet at noon and have the Consent Calendar, and there are seven bills scheduled for consideration under suspension of the rules. These are:

H.R. 8518, saccharin ban moratorium;

H.R. 9418, Health Professions Education Amendments of 1977;

H.R. 5643, Cultural Property Implementation Act;

H.R. 5858, Tariff Schedule Amendments for Canadian Petroleum;

H.R. 8149, Customs Procedural Reform Act of 1977;

H.R. 8422, rural health clinic services amendments to Social Security Act; and

H.R. 6715, Texas, Technical Corrections Act of 1977.

Votes on these suspensions will be postponed until the end of all debate on the suspensions.

Thereafter we will take up the bill H.R. 9090, exempt disaster payments on certain crops. That is under an open rule with 1 hour of general debate.

On Tuesday the House again will meet at noon. There will be the Private Calendar and six bills have been scheduled for consideration under suspension of the rules. Those are:

S. 393, Montana Wilderness Act;

H.R. 4140, extend Fishermen's Protective Act;

H.R. 6405, Endangered Species Act amendments;

H.R. 9512, Pacific Island Trust Territories;

S. 2089, establish position of Associate Attorney General; and

H.R. 7769, Indochinese refugees.

Again the votes on these suspensions will be postponed until all debate on the suspensions has been finished.

Thereafter, on Tuesday we hope to take up H.R. 1037, Energy Transportation Security Act of 1977. That is coming to us under an open rule with 2 hours of general debate recommended.

On Wednesday the House will meet at noon. We will have H.R. 9375, Supplemental Appropriations Act, and waivers have been granted by the rule recommended to the Rules Committee; and

H.R. 9346, Social Security Financing Amendments of 1977 will follow. We will take the rule and the general debate only, subject to a rule being granted.

Then on Thursday the House will meet at 10 o'clock in the morning. We will have:

H.R. 9346, Social Security Financing Amendments of 1977, voting on amendments and the bill;

H.R. 7073, Federal Insecticide, Fungicide, and Rodenticide Act, voting on amendments and the bill; and

H.R. 2329, Fish and Wildlife Improvement Act of 1977, which comes under a recommended open rule with 1 hour of general debate.

And having concluded all of those things, we would assume that the business of the week had been concluded. Of course, conference reports may be brought up at any time and any other program may be announced later.

It would be our hope that we could conclude all business for the week on Thursday. If we are able to do that we will have only a pro forma session on Friday next; and the Monday that follows Friday next will be October 24, which is a national holiday. The Nation will be observing Veterans Day, and it would be our plan not to schedule legislative business on that day.

The House will adjourn by 3 p.m. Friday and by 5:30 p.m. on all other days except Wednesday. Any further program may be announced later.

Mr. RHODES. Mr. Speaker, may I suggest to the distinguished majority leader that it is possible on Tuesday we may have a little problem finishing up by 5:30. Certainly as far as I am concerned, and I think I speak for most of the Members in the minority, we would have no objection to staying in on Tuesday until we finish the program for that date, knowing that Wednesday is a rather heavy day. The supplemental appropriations bill, as my good friend knows, will have some controversy over the B–1 and other aircraft. The social security financing amendments are certainly a major piece of legislation. We will want to give each of those pieces of legislation all the time necessary. I say this so that if the majority leader feels constrained to do away with the proviso that we quit at 5:30 on Tuesday, it might be a good idea to suggest it.

Mr. WRIGHT. Mr. Speaker, if the distinguished minority leader will yield further, the majority leader appreciates that suggestion very much. Let us see how rapidly the six suspensions go on Tuesday. It may be that they will not consume lengthy debate, in which event it might be possible for us to conclude our consideration of H.R. 1037; but if not, the leadership will certainly bear in mind the suggestion made by the distinguished minority leader.

Mr. MICHEL. Mr. Speaker, will the minority leader yield for a question?

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

Mr. MICHEL. Mr. Speaker, does this suggest that with very little business, if anything, next Friday and a holiday on Monday that any kind of sine die adjournment is absolutely out of the question for the 29th of October? Assuming, that is, the majority leader is prepared to offer any kind of prospects for the following week?

Mr. WRIGHT. Mr. Speaker, if the distinguished minority leader will yield further, the majority leader is not clairvoyant and has little in common with Jimmy the Greek; but I did not mean to suggest that all hope for an October 29 adjournment is forlorn. I do not believe it is forlorn. It depends, as the gentleman well knows, on the dispatch that the conferees on the energy bill may make. We will come in full of steam and energy on the 25th of October, Tuesday, with high hopes of concluding the business of this session during that week.

Of course, we have additional appropriations bills that are in conference. We probably will have a conference committee report, for instance next week on the foreign assistance bill.

We will need to conclude the appropriations bills and any conference reports that are ready to be considered and adopt the conference report on the energy bill, assuming that is brought to us.

Once those things are done, the majority leader sees no reason why we could not adjourn.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

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

There was no objection.

ADJOURNMENT TO MONDAY, OCTOBER 17, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

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

There was no objection.

MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972 AUTHORIZATION

Mr. BREAUX. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4297) to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal year 1978.

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

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 further consideration of the bill H.R. 4297, with Mr. SHARP in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, October 11, 1977, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 4297

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1420) is amended—

(1) by striking out "and" immediately after "September 30, 1976),"; and

(2) by adding immediately after "fiscal year 1977" the following: ", and not to ceed $4,800,000 for fiscal year 1978,".

SEC. 2. Section 204 of such Act (33 U.S.C. 1444) is amended—

(1) by striking out "and" immediately after September 30, 1976),"; and

(2) by adding immediately after "fiscal year 1977" the following: ", and not to exceed $6,000,000 for fiscal year 1978".

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 9, strike "$6 million" and insert "$6,500,000".

Mr. BREAUX. Mr. Chairman, the committee has no requests for time on this amendment. We agree with it and support it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 2?

The Clerk will read.

The Clerk read as follows:

SEC. 3. Section 304 of such Act (16 U.S.C. 1434) is amended—

(1) by striking out "and" immediately after "September 30, 1976),"; and

(2) by adding immediately after "fiscal year 1977" the following: ", and not to exceed $500,000 for fiscal year 1978".

COMMITTEE AMENDMENT

The CHAIRMAN. If there are no amendments to section 3, the Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, after line 17, insert the following new section:

SEC. 4. (a) The Administrator of the Environmental Protection Agency (hereinafter referred to in this section as the Administrator) shall end the dumping of sewage sludge into ocean waters, or into waters described in section 101(b) of Public Law 92-532, as soon as possible after the date of enactment of this section, but in no case may the Administrator issue any permit, or any renewal thereof (under Title I of the Marine Protection, Research, and Sanctuaries Act of 1972) which authorizes any such dumping after December 31, 1981.

(b) For purposes of this section, the term "sewage sludge" means any solid, semisolid, or liquid waste generated by a municipal wastewater treatment plant the ocean dumping of which may unreasonably degrade or endanger human health, welfare, amenities, or the marine environment, ecological systems, or economic potentialities.

Mr. BREAUX (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. BREAUX. Mr. Chairman, I rise in support of the amendment. It is an amendment that puts an absolute termination date on all ocean dumping of sewage sludge by December 31, 1981. It is somewhat controversial. We debated it extensively in subcommittee and also in the full committee. It is an amendment that I personally disagreed with, both in the subcommittee and the full committee, but I do support it as the committee saw fit to adopt this language.

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

Mr. BREAUX. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, I rise in strong support of H.R. 4297, authorizing appropriations for fiscal 1978 to carry out the Marine Protection Research, and Sanctuaries Act of 1972.

Also contained in this legislation is an amendment that was agreed to in committee by a vote of 22 to 12 to prohibit the dumping of harmful sewage sludge in the ocean after December 31, 1981.

The purpose of the 1972 act was to provide a means of regulating the disposal of various harmful and hazardous materials into the ocean. It was drafted in response to the growing tendency toward ocean disposal of all kinds of wastes that in sufficient quantities could seriously downgrade the quality of our ocean waters, and present a significant hazard to marine life, fishing, and human health.

Unfortunately, despite the act's clear direction to prohibit harmful ocean dumping, there has been and continues to be large amounts of sewage sludge being dumped into the ocean by a number of northeastern municipalities in the New York-New Jersey area.

These sludges contain high concentrations of a number of metals that are a serious risk to marine life, and also to humans if they should eat fish or shellfish that come from the dumping areas. EPA has reported that the sewage sludge dumped in 1974 in the Atlantic contained about 24 tons of cadmium and that sludge dumped in New York Bight alone contained about 2 tons of mercury.

In addition, there exists the possibility that sludge dumping may contribute to the problem of excess nutrients in the ocean waters, leading to algae blooms that deplete oxygen in the seawater, and result in fish kills.

In response to this problem, the EPA has adopted by administrative rulemaking a deadline of December 31, 1981 to bring an end to sludge dumping. However, that deadline is now bulging at the seams. It is clear that many of the municipalities who are doing the dumping have not taken the deadline seriously, and have made little or no progress toward finding alternative methods for disposing of sewage sludge.

The problem is made more serious because, in coming years, we will be producing more and more sludge, as more and more secondary sewage treatment plants come on line. But so long as ocean dumping remains the cheapest and most convenient means of disposing of sludge, there will remain a tremendous pressure to continue dumping. The uncertainties in existing law will continue to invite litigation, and EPA will be placed under increasing pressure to postpone its administrative deadline.

That is why it is so important for us to begin the process of phasing out harmful sludge dumping now, while we still have some time to develop alternatives. We can no longer afford the old "out of sight, out of mind" attitude about disposing of municipal wastes.

The language in H.R. 4297 would provide clear notice to the municipalities that are dumping sludge in the ocean that they must be out by a date certain, and to do that, they will have to begin now to develop alternatives.

Mr. BREAUX. Mr. Chairman, I yield to the chairman of the Subcommittee on Fish and Wildlife, the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in support of section 4 of this bill which prohibits the dumping of sewage sludge into our ocean waters after 1981. This provision would legislatively implement the deadline on the dumping of sewage sludge which has already been adopted by Environmental Protection Agency regulations.

In enacting the Ocean Dumping Act of 1972, Congress stated very clearly that it wanted to end the treatment of our ocean as a garbage pit. The Ocean Dumping Act reflects the realization that we cannot continue to expect the oceans to act as a food resource, recreation center, and cesspool. The Ocean Dumping Act prohibited the dumping of wastes which unreasonably degraded the marine environment. The EPA has already determined that sewage sludge does degrade the environment.

Nevertheless, the EPA realized that an immediate ban on dumping would cause economic harm for those Atlantic coast communities still using the ocean as a sludge dump site. Thus, EPA developed a mechanism to end ocean dumping gradually. It granted these communities so-called interim permits, and placed them on notice that they are expected to develop land-based dumping alternatives no later than 1981. All we are attempting to do here today is make sure that this 1981 date remains very firm.

There are three urban areas dumping sewage sludge into the ocean—Camden, N.J.; Philadelphia; and the New York-New Jersey metropolitan area. The first two communities have assured the committee that they have found a solution to the sewage sludge predicament. Camden has developed an effective composting system which has already ended their need to use the ocean as a dump site. Philadelphia indicated to the committee

in June that they should be out of the ocean by 1980.

The New York situation is apparently somewhat more pessimistic. The problem there is insufficient surface area for composting and insufficient funds to develop land-based alternatives. Nevertheless, the Assistant Administrator for the Environmental Protection Agency testified in June that sufficient alternative did exist for New York, and that the deadline could be met. Further, the administrator of New York City's Environmental Protection Administration indicated that New York was determined to meet the 1981 date.

We have a situation, then, where all of the principals indicate the deadline can and should be met. It is perplexing, then, when these same principals oppose the legislative imposition of the deadline.

A large part of the opposition to the termination of ocean dumping stems from the fact that it remains the cheapest means of disposing of municipal waste. The ocean dumping of sewage sludge generally costs $1.80 per ton, while alternatives cost $5 per ton.

My concern is that while it may be cheaper for the particular communities involved, it is quite likely very expensive for the Nation as a whole. For example, the Department of Commerce has indicated that the shellfish industry has ceased harvesting in over 18.5 percent of the shellfish waters because of intolerable levels of pollution.

The ocean dumping of sewage sludge, of course, is a small part of this problem—but it is a part. The draft environmental impact statement on the New York Bight site indicated that the water quality of the area would not improve if sludge dumping was moved elsewhere for the simple reason that so many other pollutants are poured into that body of water. This includes street runoff, industrial pollutants and raw sewage.

I am not convinced that the fact that sewage sludge is a small part of the problem is a good reason for permitting the dumping of sludge to continue. Alternatives to the dumping of sludge are available. A firm deadline will insure that they are implemented.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

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

Mr. EVANS of Delaware. Mr. Chairman, I rise in strong support of H.R. 4297, and also the amendment offered by the gentleman from New Jersey (Mr. HUGHES) to ban all harmful ocean dumping as of a certain date, December 31, 1981. In 1972, the Congress, stated as a national policy goal that we would end harmful ocean dumping within 5 years.

I am delighted to see that finally we are going to begin implementing that noble objective. I think it is reasonable. It is needed. And I would like to also remind all of those who come to visit our Delaware beaches, Rehoboth, Fenwick Island, Bethany, et cetera, that we want you to get good clams, good oysters and to enjoy our beaches.

Mr. BREAUX. We will continue to send Louisiana crabs and oysters to your beach area.

Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I rise in strong support of the pending committee amendment and this legislation. The pending amendment, which was sponsored in committee by the distinguished gentleman from New Jersey (Mr. HUGHES), will put a definite end to ocean dumping of sewage sludge no later than December 31, 1981. It is unfortunate that the Congress has to set a deadline to end a source of pollution most of us assumed was already outlawed by the original 1972 Marine Protection Act. This amendment was necessary, however, because of the Environmental Protection Agency's continued interpretation of the law so that it allows such pollution on what they call "an interim basis."

Whatever EPA may call it, the continued practice of dumping sewage sludge from Philadephia and other areas into the Atlantic Ocean off the coasts of New Jersey, Maryland, and Delaware has caused widespread marine damage and the closing of important shellfishing areas. It has presented a continuing health hazard to coastal resort cities such as Ocean City, Md., which I have the honor to represent. There is certainly no more beautiful and appealing ocean resort in America, in my opinion, especially for the thousands of families who enjoy its pleasures each summer, and now all year around. To have all this jeopardized by the unwillingness of the EPA to enforce the law and the refusal of Philadelphia officials to clean up their act is appalling. So Congress must and should act and this bill is a long step forward in my view.

I urge adoption of the committee amendment and the bill.

Mr. BREAUX. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Chairman, I too rise in strong support of this section of this bill. I think it is a very good amendment. It does assure that we are going to stop ocean dumping in 1981. It was the policy. Now it will be the law.

Mr. Chairman, I urge support of the amendment and the bill.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 4297, a bill to authorize funds to extend the Marine Protection, Research and Sanctuaries Act for fiscal year 1978.

Better known as the Ocean Dumping Act, this law is very important in the protection of our oceans and shores.

The Environmental Protection Agency (EPA) is the lead agency in the administration of title 1, a title which provides for mandatory regulation of the dumping of harmful wastes into the ocean.

As reported by our Merchant Marine and Fisheries Committee, this bill requires the "dumpers" to end all dumping of municipal sewage sludge by December 31, 1981. This is feasible, given the support of the EPA, combined with research on and working alternatives to ocean dumping.

The pollution of our oceans, especially along many areas of the Alantic seaboard, is a problem that the Congress must address with strong statutes. I support this bill with the 1981 cutoff date for dumping into the ocean.

Mr. FREY. Mr. Chairman, almost 10 years ago, when I first came to Congress and was still assigned to the Merchant Marine and Fisheries Committee, the legislation now before us caught the attention of my district. The reason? The Army had dumped a large amount of toxic substances off the coast of Brevard County.

The resulting outcry caused me to work within my committee for some kind of safeguards against a future occurrence.

In 1971, 50 Members cosponsored my legislation prohibiting ocean dumping. The bill was authored in response to what I thought was a "softer" bill then being touted by the administration. In 1972 Congress accepted the Marine Protection, Research and Sanctuaries Act establishing regulatory control over the dumping of certain materials into U.S. waters.

The bill specifies how ocean dumping shall be regulated; sets out research activities to support limitation of ocean dumping; and provides for the designation and regulation of marine sanctuaries.

The intervening half decade has proved we cannot relax our efforts against ocean pollution. While the Environmental Protection Agency has made progress against industrial sewage dumping—phasing out 81 former or potential dumpers in the last 5 years—municipal sewage remains a problem. In the Mid-Atlantic region, where municipalities dump their sewage, over one-fifth of the Nation's shellfishing beds have been closed by the Food and Drug Administration because pollution has rendered these organisms unsafe for human consumption. As a scuba diver I have personally seen how reefs can be ruined by sewage.

There seems to be some confusion among the agencies involved as to whether Congress is serious about ocean dumping—specifically municipal sewage dumping. This amendment to the original legislation makes clear our intent to prohibit anyone—municipal or

industrial—to dump dangerous sewage into our oceans after the last day of 1981.

To this end today's legislation authorizes $11.8 million: $4.8 million toward the EPA's regulatory program; $6.5 million into the National Oceanic and Atmospheric Administration's research on ocean dumping; and $500,000 toward the marine sanctuaries program administrated by the Office of Coastal Zone Management.

I would urge Members to pay special attention to the provision appropriating a half million dollars toward the sanctuaries program. Already, the Department of Commerce has designated two area, one off the coast of North Carolina and the other off the coast of Key Largo, Fla. Four other areas have been nominated for designation, including a killer whale area in Puget Sound. It would seem a half million dollars for four new sanctuaries is a bargain—probably one of the best in the Federal Government.

There are few of us, I believe, who would quarrel with a designated area to be saved from the ravages of ocean dumping. Extending that protection to our entire coastline, to both oceans, is the purpose of this amendment.

In the name of our oceans, our environment, our sea life, the economic well-being of our fishing industry, and the health of coastal dwellers, the House must accept this amendment and authorization.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DAN DANIEL), having assumed the chair, Mr. SHARP, 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. 4297) to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1978, pursuant to House Resolution 798, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore 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 pro tempore. 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 359, nays 1, not voting 74, as follows:

[Roll No. 657]

YEAS—359

Akaka	Dornan	Kazen
Allen	Downey	Kelly
Ambro	Drinan	Ketchum
Ammerman	Duncan, Oreg.	Kildee
Anderson, Calif.	Duncan, Tenn.	Kindness
Andrews, N.C.	Early	Kostmayer
Andrews, N. Dak.	Eckhardt	Krebs
Annunzio	Edgar	Krueger
Applegate	Edwards, Ala.	LaFalce
Archer	Edwards, Calif.	Lagomarsino
Armstrong	Edwards, Okla.	Latta
Ashbrook	Eilberg	Le Fante
Ashley	Emery	Leach
Aspin	English	Lederer
Badham	Erlenborn	Leggett
Baldus	Ertel	Lehman
Baucus	Evans, Colo.	Lent
Bauman	Evans, Del.	Levitas
Beard, R.I.	Evans, Ga.	Lloyd, Calif.
Bedell	Evans, Ind.	Lloyd, Tenn.
Beilenson	Fary	Long, La.
Benjamin	Fascell	Long, Md.
Bennett	Fenwick	Lott
Bevill	Findley	Luken
Blanchard	Fish	Lundine
Blouin	Fisher	McClory
Boggs	Fithian	McCormack
Bonior	Flippo	McDade
Bonker	Flood	McEwen
Brademas	Florio	McFall
Breaux	Flowers	McHugh
Breckinridge	Flynt	McKay
Brinkley	Foley	McKinney
Brodhead	Ford, Tenn.	Madigan
Brooks	Forsythe	Mahon
Broomfield	Fountain	Markey
Brown, Mich.	Fraser	Marlenee
Brown, Ohio	Fuqua	Marriott
Buchanan	Gammage	Martin
Burgener	Gaydos	Mathis
Burke, Fla.	Gephardt	Mattox
Burke, Mass.	Gibbons	Mazzoli
Burleson, Tex.	Gilman	Meeds
Burlison, Mo.	Ginn	Meyner
Burton, Phillip	Glickman	Michel
Butler	Gonzalez	Mikulski
Byron	Gore	Mikva
Caputo	Gradison	Milford
Carney	Grassley	Miller, Ohio
Carr	Gudger	Mineta
Carter	Hagedorn	Minish
Cavanaugh	Hall	Mitchell, Md.
Cederberg	Hamilton	Mitchell, N.Y.
Chappell	Hammer-schmidt	Moffett
Chisholm	Hannaford	Mollohan
Clawson, Del	Hansen	Montgomery
Cleveland	Harkin	Moore
Cochran	Harris	Moorhead, Calif.
Cohen	Hawkins	Moorhead, Pa.
Coleman	Heckler	Moss
Collins, Tex.	Hefner	Mottl
Conable	Heftel	Murphy, Ill.
Conte	Hightower	Murphy, Pa.
Conyers	Hillis	Murtha
Corcoran	Hollenbeck	Myers, Gary
Corman	Holt	Myers, John
Cornell	Holtzman	Myers, Michael
Cornwell	Horton	Natcher
Coughlin	Howard	Neal
Cunningham	Hubbard	Nedzi
D'Amours	Huckaby	Nichols
Daniel, Dan	Hughes	Nix
Daniel, R. W.	Hyde	Nowak
Danielson	Ichord	O'Brien
Davis	Ireland	Oakar
de la Garza	Jacobs	Oberstar
Delaney	Jeffords	Obey
Dellums	Jenkins	Ottinger
Derrick	Jenrette	Panetta
Derwinski	Johnson, Colo.	Patten
Devine	Jones, N.C.	Patterson
Dickinson	Jones, Okla.	Pattison
Dicks	Jones, Tenn.	Pease
Dingell	Jordan	Perkins
Dodd	Kasten	Pettis
	Kastenmeier	Pike
Poage	Shipley	Vander Jagt
Pressler	Shuster	Vanik
Preyer	Sikes	Vento
Price	Simon	Volkmer
Pritchard	Sisk	Waggonner
Quayle	Skelton	Walgren
Quie	Skubitz	Walker
Quillen	Smith, Iowa	Walsh
Railsback	Smith, Nebr.	Wampler
Rangel	Snyder	Watkins
Regula	Solarz	Waxman
Rhodes	Spellman	Weaver
Richmond	Spence	Weiss
Rinaldo	Staggers	White
Risenhoover	Stangeland	Whitehurst
Robinson	Stanton	Whitley
Rodino	Stark	Whitten
Roe	Steers	Wiggins
Rooney	Steiger	Wilson, Bob
Rosenthal	Stokes	Wilson, C. H.
Rousselot	Stratton	Wilson, Tex.
Rudd	Studds	Winn
Ruppe	Stump	Wirth
Ryan	Symms	Wright
Santini	Taylor	Wydler
Sarasin	Thompson	Wylie
Satterfield	Thone	Yates
Sawyer	Thornton	Yatron
Scheuer	Traxler	Young, Alaska
Schroeder	Trible	Young, Fla.
Schulze	Tsongas	Young, Mo.
Sebelius	Tucker	Young, Tex.
Seiberling	Udall	Zablocki
Sharp	Ullman	Zeferetti

NAYS—1

McDonald

NOT VOTING—74

Abdnor	Diggs	Moakley
Addabbo	Ford, Mich.	Murphy, N.Y.
Alexander	Fowler	Nolan
Anderson, Ill.	Frenzel	Pepper
AuCoin	Frey	Pickle
Badillo	Giaimo	Pursell
Bafalis	Goldwater	Rahall
Barnard	Goodling	Reuss
Beard, Tenn.	Guyer	Roberts
Biaggi	Hanley	Rogers
Bingham	Harrington	Roncalio
Boland	Harsha	Rose
Bolling	Holland	Rostenkowski
Bowen	Johnson, Calif.	Roybal
Brown, Calif.	Kemp	Runnels
Broyhill	Keys	Russo
Burke, Calif.	Koch	Slack
Burton, John	Livingston	St Germain
Clausen, Don H.	Lujan	Steed
Clay	McCloskey	Stockman
Collins, Ill.	Maguire	Teague
Cotter	Mann	Treen
Crane	Marks	Van Deerlin
Dent	Metcalfe	Whalen
	Miller, Calif.	Wolff

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Frey.
Mr. Moakley with Mr. Anderson of Illinois.
Mr. Dent with Mr. Bafalis.
Mr. AuCoin with Mr. Goldwater.
Mrs. Burke of California with Mr. Beard of Tennessee.
Mr. Biaggi with Mr. Abdnor.
Mr. Koch with Mr. Goodling.
Mr. Miller of California with Mr. Crane.
Mr. Pepper with Mr. Kemp.
Mr. Murphy of New York with Mr. Livingston.
Mr. Badillo with Mr. Lujan.
Mr. Fowler with Mr. Treen.
Mr. Wolff with Mr. Johnson of California.
Mr. Harrington with Mr. Holland.
Mr. Russo with Mr. Marks.
Mr. Reuss with Mr. Teague.
Mr. Bowen with Mr. Clay.
Mr. Roybal with Mr. Don H. Clausen.
Mr. Diggs with Mr. Giaimo.
Mrs. Collins of Illinois with Mrs. Keys.
Mr. Cotter with Mr. Metcalfe.
Mr. Ford of Michigan with Mr. Pickle.
Mr. Rose with Mr. Runnels.
Mr. Rostenkowski with Mr. Alexander.
Mr. Rahall with Mr. Mann.
Mr. Roberts with Mr. Barnard.
Mr. Bingham with Mr. Van Deerlin.

Mr. John Burton with Mr. Pursell.
Mr. Boland with Mr. Broyhill.
Mr. Brown of California with Mr. Frenzel.
Mr. Hanley with Mr. Harsha.
Mr. Maguire with Mr. McCloskey.
Mr. Nolan with Mr. Whalen.
Mr. Rogers with Mr. Steed.
Mr. St Germain with Mr. Slack.
Mr. Roncalio with Mr. Stockman.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 4297 just passed by the House.

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

There was no objection.

PERSONAL EXPLANATION

Mr. RUDD. Mr. Speaker, I would like to have it made a matter of record that I was unavoidably detained at the White House this morning and missed the first vote on the conference report on the bill H.R. 6415. Had I been present I would have cast a "no" vote.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1139, NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT AMENDMENTS OF 1977

Mr. WALGREN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 1139 to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes.

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

There was no objection.

NIAGARA COUNTY'S ABORTION RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Speaker, I know that the questions surrounding abortion, particularly the extent to which Government should be allowed to promote or restrict access to them is a matter of concern to many of my colleagues. I, therefore, would like to submit for their review a copy of a resolution recently passed by the Niagara County legislature which unambiguously defines the legislature's position:

RESOLUTION

Whereas, recent Supreme Court decisions seem to indicate that state and local governments cannot be forced by Federal government to pay for elective abortions, and

Whereas, Niagara County Welfare funds have been used for such purposes; and

Whereas, the Supreme Court has stated that such abortions need not be funded by the states social services department; and

Whereas, the Governor of the New York State has mandated that the social services departments in the counties of the State of New York pay for such abortions; and

Whereas, the Niagara County Legislature recognizes the authority of the Supreme Court and its own moral laws; now therefore, be it

Resolved, that the County Legislature does hereby direct the Social Services Department of the County of Niagara to review its procedures concerning the promotion and/or permission for abortions which cannot be medically demonstrated as necessary to preserve the life of the unborn child's mother, and be it further

Resolved, that the Social Services Department be directed to cease and desist support for such abortions not so medically related to the health of the mother, from this day forward; and be it further

Resolved, that copies of this resolution be forwarded to the State Social Services Department; Governor Carey; area State legislators; and all New York State Boards of Supervisors and County Legislatures.

COMMITTEE ACTION WOULD LIMIT PRESIDENT'S AUTHORITY TO LIMIT OIL IMPORTS

Mr. VANIK. Mr. Speaker, I want to place in the RECORD a statement by myself and my colleagues on the Committee on Ways and Means, Hon. BARBER B. CONABLE, JR., and Hon. WILLIAM A. STEIGER, concerning recent action in the Senate Finance Committee to limit the President's authority to act on oil imports when the national security is threatened.

The statement follows:

STATEMENT OF REPRESENTATIVES CHARLES A. VANIK, BARBER B. CONABLE, JR., AND WILLIAM A. STEIGER

We are shocked by the action of the Senate Finance Committee last week to terminate the President's authority to impose tariffs and quotas on imports of petroleum if such imports threaten the national security. The amendment adopted by the Senate Committee would repeal the President's authority to act under section 232 in limiting oil imports except for periods and circumstances relating to war or other hostilities.

At this time the President's energy legislation does not deal directly with the serious problem of limiting oil imports as one means of stemming our growing dependency on imported oil.

The Senate Finance Committee amendment appears to be an emotional reaction to statements that an import fee on oil might be necessary, if effective energy legislation is not adopted.

If the Senate Finance Committee's proposal is adopted, the President would be denied the only authority he would have to limit oil imports. It will signal the world of our inability and our unwillingness to deal at all with the energy crisis. It could threaten to condemn our troubled economy to a future of uncertainty, dependency and depression.

CHAIRMAN MELVIN PRICE WARNS OF THE DANGERS IN A COMPREHENSIVE TEST BAN TREATY—CTB

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, earlier this month several members of the Armed Services Committee, led by Chairman MELVIN PRICE, visited the Lawrence Livermore Laboratory in Livermore, Calif. The laboratory is operated for the ERDA by the University of California, and is one of our two major nuclear weapons development laboratories. The Lawrence Livermore Laboratory was responsible for developing the hydrogen bomb, under the leadership of Dr. Edward Teller.

The occasion of our visit also marked the 25th anniversary of the laboratory, and following our tour of the facilities, and receiving a briefing on the laboratory's current activities, a banquet was held to celebrate the anniversary. At that banquet, Chairman PRICE was the principal speaker.

Some weeks ago, Soviet Foreign Minister Gromyko proposed that the United States and the Soviets enter into a comprehensive test ban treaty CTB. This is an appealing-sounding proposal, to be sure, as was President Kennedy's original test ban treaty. But for the initiated—those who, like MEL PRICE, have been following nuclear matters closely for over 30 years—the CTB has some very real and special dangers. This is what Mr. PRICE discussed in his speech at Livermore. And his words deserve to be read and pondered by every Member.

The speech follows:

REMARKS BY THE HONORABLE MELVIN PRICE

I am most honored to have the opportunity of participating in this memorable observance of the 25th anniversary of the Lawrence Livermore Laboratory. This is an appropriate time to convey, on behalf of the Congress, our thanks to all of the members of this outstanding institution. The nation owes so much to you for its security and welfare. I want to especially thank those here this evening who were here at the beginning and are still contributing to the outstanding achievements of the Laboratory—to Roger Batzel, Mike May, Duane Sewell, Carl Haussmann, and the other "plank owners" of this great institution.

As we move into your second quarter century, something must be in the forefront of your minds, as it is in mine—the offer last Tuesday of Soviet Foreign Minister Gromyko to enter into a test moratorium. My long association with you and the whole nuclear weapons program provides me with special insight into the potential harm of a hiatus in our testing program.

History provides proof of this. I am sure you recall the moratorium which was also instigated by the Soviets in 1958. Then about three years later, they announced, unilaterally, that the moratorium was over. The Soviets then immediately proceeded with one of the most comprehensive and intensive weapons test programs ever conducted. Obviously, during the moratorium they worked every minute to be prepared to resume tests.

I think you will agree that, as a consequence, our relative position of technological proficiency was hurt by those developments.

We cannot let this history repeat itself.

We must carefully consider any new offer to assure that adequate safeguards are provided. Under no circumstances should we agree to anything that would erode our ability to maintain a position of technological leadership.

Frankly, I am concerned that we may not have taken as much of an advantage of the

research and development opportunities during the SALT I Treaty as we should have. My concern in this respect was expressed on the floor of the House yesterday.

I am sure you will indulge a bit of reminiscence on my part. As you know, I go back to the beginning in the consideration of the atom in the Congress. I recall back in 1945, as a member of the Committee on Military Affairs, which was the predecessor of the Armed Services Committee, we considered the first piece of atomic energy legislation. Thus, 32 years ago we legislated the development of nuclear energy for the national security of the nation. The legislation which was finally enacted created the Atomic Energy Commission and the Joint Committee on Atomic Energy. The history under this Act and the updating of the Act, covers the genesis of this great Laboratory and many of its accomplishments.

I recall the period of turmoil which preceded the establishment of the Livermore Laboratory. The Korean War was in progress. Great controversy and doubt surrounded the feasibility of a fusion weapon, then called The Super. We on the Joint Committee were continually trying to pull the nuclear weapons program ahead by increasing production of special nuclear materials, by getting the military to rethink its strategy in terms of the availability of completely new weapons concepts and also by increasing nuclear weapons research and development resources. Of course, that is where the Livermore Laboratory fitted in.

I particularly recall our February 21, 1952, Joint Committee meeting during which we developed a consensus on the need for Livermore.

I am sure there is no question concerning the fact that the late and great Ernest Lawrence and your co-worker Edward Teller provided the primary force for the establishment of the Livermore weapons effort. I understand Dr. Teller is in Europe at this time. I want to specially convey my thanks and appreciation to him for his accomplishments in creating this Laboratory and, of course, for his vital role in the development of the fusion weapon. Dr. Teller, in the establishment of this Laboratory, attained his objective; a laboratory without limited goals.

I would like to honor the other leaders of the Laboratory who also could not be with us tonight. I am referring to Herb York, the first Director; to Harold Brown; and to Johnny Foster. This Laboratory obviously has illustrious alumni.

Your scientific accomplishments are legion. Of course, the nuclear weapons program was the primary purpose for the creation of the Laboratory and continues to be your primary mission, in particular the Polaris and Poseidon systems. But from my direct association with the programs of the Laboratory, I would like to take note of other scientific and engineering efforts which also were very successful.

One of the programs carried out by the Laboratory which has always stood out in my mind as a model of success in an exceedingly complex and diversified technical field was the Pluto Nuclear Ramjet program. I cannot help but recall how many people advised the Joint Committee of the doubtful feasibility of attaining the unique performance characteristic of this weapon delivery system. But you did what many considered impossible. The proof of this nuclear engine was well demonstrated on the desert in Nevada. It was indeed unfortunate that our military, at the time, did not deem it advisable to carry the system to deployment Those of you familiar with the characteristics of Pluto can visualize the limitless performance available from such a delivery system, especially when it is compared to systems such as the present cruise missile.

Another completely different technical area in which the Laboratory has contributed so much is in the energy field. I especially remember those at the Laboratory who developed the energy flow charts that our Joint Committee used so much. I firmly believe that these charts which we commonly referred to as spaghetti charts, did more to educate members of Congress on energy than any other single communication effort.

Time does not permit me to cover all of the fine work you have performed here. But I also would like to take special note of the leadership you have provided and continue to provide to the development of the most promising types of magnetic and laser fusion systems.

I also want to mention that the efforts of this Laboratory have kept us at the forefront of computer technology. Special accolades are due the scientists and engineers who carry out the work.

My best wishes and hopes for the future are that you will continue to be as successful as you have been in the past.

As you will recall, legislation we of the Joint Committee sponsored in 1971 broadened the charter of the nuclear laboratories to perform research and development work in fields other than nuclear. This greatly broadened the programs at the Laboratory. In addition, earlier this year when the Congress set up the new Department of Energy, we were successful in maintaining Livermore and its associated laboratories as a separate entity in the new Department with organizational representation at an Assistant Secretary level. Obviously, you have good friends in Washington who look after your interests.

The Joint Committee's period has ended and the responsibilities for the nuclear weapons program in Congress has gone full circle and is back where it was over 32 years ago—under the Armed Services Committee. And I have gone full circle also. I still have the job of looking after this Laboratory.

We must continue to work together to assure that this fine institution can continue to contribute to our nation's future.

"CARTER SIGNS U.N. TREATIES WORSE THAN PANAMA"

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, the very talented Alice Widener wrote an article on October 6 revealing some startling information about two United Nations treaties signed by President Carter on October 5, which appear to be of considerably more consequence than the Panama Canal matter currently pending before the Senate.

All Members should read and digest the article which follows:

CARTER SIGNS U.N. TREATIES WORSE THAN PANAMA

(By Alice Widener, Publisher, U.S.A. Magazine)

NEW YORK CITY, October 6, 1977.—The two United Nations treaties that President Carter signed publicly at the U.N. on October 5, 1977, are worse, far worse than the two Panama Canal treaties he already signed. The Panama Canal treaties can gut us from without; the U.N. treaties can gut us from within.

Why?

The United Nations Covenant on Civil and Political Rights and the United Nations Covenant on Economic, Social and Cultural Rights—both signed by President Carter and subject now to ratification by the U.S. Senate—specifically exclude private property, as a human right. Both U.N. treaties exclude our right to own private property individually or in association with others. Both U.N. so-called 'human rights' treaties permit government seizure of property without any kind of compensation.

The U.N. so-called Human Rights Treaties are in violation of our Constitution. It specifically protects our property rights. The Fifth Amendment states: ". . . nor shall any person . . . be deprived of life, liberty, or property, without due process of law, nor shall private property be taken for public use without just compensation." The Fourteenth Amendment states: ". . . nor shall any State deprive any person of life, liberty, or property without due process of law."

As finally drafted in 1966, the United Nations Covenants signed by President Carter authorize the expropriation or nationalization of any private property considered as "necessary or desirable" by any Member State of the United Nations. This amounts to U.N. sanction of the right of theft of property, a fact that has repeatedly been pointed out by U.S. delegates to the U.N. by all administrations previous to the Carter Administration since 1948, when the U.N. Universal Declaration of Human Rights was adopted.

After that event in 1948, the United Nations continually tried to codify the Universal Declaration. From the very first discussions, the Soviet Union and its satellites strenuously objected to Article 17 of the U.N. Universal Declaration of Human Rights which stated: "Everyone has the right to own property alone as well as in association with others. No one shall be arbitrarily deprived of his property." That is the fundamental U.N. Human Right approved by President Harry Truman when he endorsed the U.N. Universal Declaration. That is the essential human right—the right to own private property—which has made our country great. That is the prime right all Americans enjoy. Without it, all our other rights would be without significance.

Repeatedly, some ultra-liberals in our State Department have tried to get away with the assertion that the two United Nations Covenants which President Carter signed are not "treaties." The reason they allege this is that they know full well that according to our Constitution, treaty law is the supreme law of our land and international treaties supersede all else. But the United Nations itself refers in all its historical documents to the Human Rights Covenants as "treaties." Furthermore, Kathleen Teltsch, New York Times correspondent at the U.N., says in her article of October 6 about the President's signing of the two U.N. covenants, "Previous American administrations declined to sign the pacts, which also require Senate ratification. They felt that Americans' rights were adequately protected, and United Nations treaties were regarded as interference . . ."

There is some talk on Capitol Hill that because the Senate is balking at quick ratification of the Panama Canal treaties, there might be an effort by some Senatorial supporters of the Carter Administration to win quick ratification of the United Nations Covenants in order to shore up Presidential prestige and pacify the Administration. Many Senators honestly believe that President Carter's big push for human rights is essentially anti-Soviet. The facts are, however, that nothing could be more pro-Soviet and socialist than the United Nations Covenant on Civil and Political Rights and the United Nations Covenant on Economic, Social and Cultural Rights.

They must not pass the Senate. They are much worse than the Panama Canal treaties. The U.N. Covenants—treaties—will commit our nation to giving up each American's constitutional right to own private property and the right to keep the government from confiscating our property without any compensation.

The time to let our Senators know we strenuously object to the two U.N. Human Rights Covenants signed by President Carter is now. Don't wait a moment, for there isn't one to lose. If the Senate were to ratify the

two U.N. treaties, each of us could lose everything we own down to our last nickel.

GI EDUCATIONAL BENEFITS AVAILABLE TO VIETNAM VETERANS

(Mr. HALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HALL. Mr. Speaker, during the past few days several Members of the House have responded to an article that recently appeared in one of the city newspapers. As I recall, the remarks were somewhat critical as to the adequacy of the current GI education program administered by the Veterans' Administration.

In addition to that particular article, the Washington Post, on occasion, urged the Committee on Veterans' Affairs and the Congress to support a "direct tuition subsidy" or "supplemental tuition allowance" for certain veterans attending high cost schools.

Mr. Speaker, the Disabled American Veterans and the Veterans of Foreign Wars are very much opposed to this suggested policy change in the GI education program. The Disabled American Veterans view such proposed change as "a device to subsidize high cost schools or State educational systems."

In testifying before our Subcommittee on Education and Training on September 15, 1977, Mr. Oliver E. Meadows, DAV national commander, said:

> We are aware of the argument advanced that some states do not provide low cost education, therefore, the Federal Government should subsidize those veterans in states with higher tuition rates. Comparisons are made between California with its low tuition schools and certain eastern states where tuition is high. We see no reason why the taxpayers of California should pay twice, once to support their own system and then again by Federal taxes to support certain eastern states that have not placed as high a priority on low cost education for its citizens.

The Disabled American Veterans supports the principle of "equal benefits for equal service." So I recognize that some may disagree with the current payment system; however, the few critical articles I have noted never seem to let the reader know what is now available to the Vietnam veteran for education and training purposes.

Mr. Speaker, the distinguished chairman of our Education and Training Subcommittee, the Honorable OLIN E. TEAGUE, of Texas, recently responded to a Washington Post editorial in a letter to Mr. Philip L. Geyelin, editorial page editor. There follows a copy of the chairman's letter which I think will be of interest to my colleagues and the American people. I hope the letter will be printed in the Post as I think the chairman has clearly established that Congress and the executive branch over the years have provided adequate educational benefits for all veterans.

SEPTEMBER 14, 1977.

MR. PHILIP L. GEYELIN,
Editorial Page Editor,
The Washington Post,
Washington, D.C.

DEAR MR. GEYELIN: I have just returned from Texas, and received your letter of August 5th. Mr. Geyelin, in no way, form or fashion was I trying to be facetious or funny about your editorial. I certainly recognize your power as an editorial writer. I only wish I had as much power as a Member of Congress to influence the thinking of people in our country.

I assumed that to write an editorial such as you did that you would have studied all the history pertaining to the question, and there is plenty of history. You did attack me personally, but I would question whether any Member of Congress this year or any other year has given as much thought to trying to work out a GI Bill that is best for the GI, best for the country, and best for the colleges as I have.

When we rewrote the bill some twenty odd years ago, we made a very, very careful study, with a great deal of assistance from the U.S. Office of Education. Prior to enactment of the GI Bill, the proportion of students going to private colleges versus public colleges was approximately fifty-fifty. Under the World War II bill, that proportion became approximately sixty-forty. In our study, it was reported that the cost of going to a school was second or third down the list when the veteran was determining what school he wanted to attend. The bill was not written casually. It was written after very careful study and debate.

I again would like to renew my invitation to you to testify before our Committee. Obviously, from your editorial, you have given a lot of thought to this problem, and it is a problem.

Your editorial makes a blanket indictment of the leadership of the House Veterans' Affairs Committee and singles out by name the Chairman, Ray Roberts of Texas, and myself as the villains who have helped steer through the Committee a six percent cost-of-living increase while at the same time in effect working to block accelerated entitlement proposals, either in our Committee or in the future as provided in the Senate veterans' education bill, since ordered reported to the Senate.

As I am the author of the Korean GI Bill, the War Orphans Scholarship Program, a House sponsor of the Vietnam Veterans' Education Program, I have more than a passing interest in keeping these programs fair, equitable and functioning properly. I think most veterans and their families and the public believe that a scholarship of $13,950 for a single veteran based on 18 to 24 months of service is a fair and substantial contribution by the Federal government. Your editorial conjures up a bleak picture of those who cannot make it on the $13,950 proposed in the House reported bill, H.R. 8701. Accelerated entitlement is needed to pay for the schooling they can't get, your editorial alleges.

First, a provision in the Senate bill would permit accelerated entitlement only for veterans attending a high-cost school. A high-cost school is one whose tuition and fees exceed $1,000 for a school year. Such a provision would give additional money to the veteran who chooses a high-cost school, yet deny opportunity to the poorer veteran attending a low-cost community college who is faced with problems other than tuition costs. It escapes me how this Senate provision is going to remove any of the undefined "structural inequities found in many parts of the GI Bill" which, according to the Post, are serving to keep a million veterans from using their GI Bill assistance.

Although our Subcommittee on Education and Training has held a number of hearings this Congress over a period of months on the veterans' education program, as well as the previous Congress which focused on educational overpayments and abuses in the program, your editorial nevertheless leaves the impression that the Committee rushed through our cost-of-living increase without any attention to accelerated entitlement proposals such as Congressman Wolff's bill with a first-year cost of $2.5 billion and a five-year cost of $7.5 billion. The fact of the matter is Congressman Wolff offered an amendment to add $800 million to our Committee budget resolution last March to be earmarked for education. His amendment was defeated, which has precluded my Subcommittee from taking up Mr. Wolff's measure or any other proposal beyond the cost-of-living increase as approved by our Committee and the Congress.

In constant dollars, we are spending more money for each Vietnam veteran in training than we spent on veterans of the two previous wars. In addition, mindful of special problems of some Vietnam veterans, Congress has created a series of special benefits that were not available to veterans of Korea or World War II. For example, there is available to the Vietnam veteran a VA low-cost education loan for each year of $1,500 in addition to the veteran's basic monthly payment, a work-study program of up to $625 per year with $250 paid in advance, a tutorial assistance program of $65 a month up to $780 a year, free high-school education with no charge against the veteran's entitlement, a longer period of training with no requirement for prompt initiation of the training required of World War II veterans. Most important, a Vietnam veteran is entitled to a maximum of 45 months of entitlement to educational benefits if he served as little as 18 months.

The previous Congress authorized a new position in the Department of Labor, a Deputy Assistant Secretary for Veterans' Employment, to help veterans obtain job counseling and jobs under programs administered by the Department of Labor. One of the President's first announcements was a number of programs to assist unemployed and disabled Vietnam veterans. These programs, called HIRE, a Labor Department funded program to provide jobs and training for veterans in private employment, Disabled Veterans Outreach Program (DVOP) to help disabled veterans to find jobs and job assistance and earmarking up to 35 percent of CETA funds for veterans in public service employment jobs, are well underway. The position of Deputy Assistant Secretary for Veterans' Employment has been filled, and the Congress is hopeful that these Department of Labor programs will help to sharply reduce unemployment among Vietnam veterans.

These are some of the reasons I resent the contention of your editorial that some Vietnam veterans are not being treated fairly and that the GI Bill is not helping them. To imply that some veterans have not used the GI Bill because it is inadequate, is not only misleading to veterans and the public, but indicates a blind acceptance of the propaganda of self-serving groups who have been lobbying on this issue around Capitol Hill for a number of years.

Sincerely,

OLIN E. TEAGUE,
Chairman, Subcommittee on Education, and Training.

OPPOSITION TO TAX CUTS

(Mr. MAHON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MAHON. Mr. Speaker, in recent days much attention has been given to the idea of sweeping tax cuts.

I want to register strong opposition to such proposals. What this country needs is a commitment to financial and governmental stability—not constant tinkering with tax cuts which without doubt, if we can judge from past experience, will increase inflation and have only a

minimal effect on stimulating the economy.

Mr. Speaker, there is no great clamor from the people of the Nation for a tax cut—the unlamented death of the inglorious $50 rebate is evidence of that.

What the people do want is more efficient operation of the Government with less Federal interference in their lives.

The economic merits of a tax cut are quite uncertain. But what is not uncertain is that such a reduction in Federal revenues would drive us further away from our commonly shared goal of balancing the budget by 1981. And we must not be unaware that the budget deficit this year is estimated to be in the range of $61 billion.

Mr. Speaker, I am heartened by the stand taken by the distinguished chairman of the Ways and Means Committee, the gentleman from Oregon (Mr. ULLMAN) in opposing a tax cut at this time.

Mr. Speaker, we cannot afford to think in such terms until we have exercised the restraint and discipline to get the Federal budget in better balance.

CONFERENCE REPORT FILED ON H.R. 1139, NATIONAL SCHOOL LUNCH ACT AMENDMENTS

Mr. PERKINS submitted the following conference report and statement on the bill (H.R. 1139) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95–708)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1139) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, 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:

That this Act may be cited as the "National School Lunch Act and Child Nutrition Amendments of 1977".

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 2. Section 13 of the National School Lunch Act is amended to read as follows:

"SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

"SEC. 13. (a)(1) The Secretary is authorized to carry out a program to assist States, through grants-in-aid and other means, to initiate, maintain, and expand nonprofit food service programs for children in service institutions. For purposes of this section, (A) 'program' means the summer food service program for children authorized by this section; (B) 'service institutions' means nonresidential public or private nonprofit institutions, and residential public or private nonprofit summer camps, that develop special summer or school vacation programs providing food service similar to that made available to children during the school year under the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966; (C) 'areas in which poor economic conditions exist' means areas in which at least 33⅓ percent of the children are eligible for free or reduced price school meals under this Act and the Child Nutrition Act of 1966, as determined by information provided from departments of welfare, zoning commissions, census tracts, by the number of free and reduced price lunches or breakfasts served to children attending public and nonprofit private schools located in the area of program food service sites, or from other appropriate sources, including statements of eligibility based upon income for children enrolled in the program; (D) 'children' means individuals who are eighteen years of age and under, and individuals who are older than eighteen who are (i) determined by a State educational agency or a local public educational agency of a State, in accordance with regulations prescribed by the Secretary, to be mentally or physically handicapped, and (ii) participating in a public school program established for the mentally or physically handicapped; and (E) 'State' means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

"(2) To the maximum extent feasible, consistent with the purposes of this section, any food service under the program shall use meals prepared at the facilities of the service institution or at the food service facilities of public and nonprofit private schools. The Secretary shall assist States in the development of information and technical assistance to encourage increased service of meals prepared at the facilities of service institutions and at public and nonprofit private schools.

"(3) Eligible service institutions entitled to participate in the program shall be limited to those that—

"(A) demonstrate adequate administrative and financial responsibility to manage an effective food service;

"(B) have not been seriously deficient in operating under the program;

"(C) either conduct a regulatory scheduled food service for children from areas in which poor economic conditions exist or qualify as camps; and

"(D) provide an ongoing year-round service to the community to be served under the program (except that an otherwise eligible service institution shall not be disqualified for failure to meet this requirement for ongoing year-round service if the State determines that its disqualification would result in an area in which poor economic conditions exist not being served or in a significant number of needy children not having reasonable access to a summer food service program).

"(4) The following order of priority shall be used by the State in determining participation where more than one eligible service institution proposes to serve the same area:

"(A) local schools or service institutions that have demonstrated successful program performance in a prior year;

"(B) service institutions that prepare meals at their own facilities or operate only one site;

"(C) service institutions that use local school food facilities for the preparation of meals;

"(D) other service institutions that have demonstrated ability for successful program operation; and

"(E) service institutions that plan to integrate the program with Federal, State, or local employment programs.

The Secretary and the States, in carrying out their respective functions under this section, shall actively seek eligible service institutions located in rural areas, for the purpose of assisting such service institutions in applying to participate in the program.

"(5) Camps that satisfy all other eligibility requirements of this section shall receive reimbursement only for meals served to children who meet the eligibility requirements for free or reduced price meals, as determined under this Act and the Child Nutrition Act of 1966.

"(b)(1) Payments to service institutions shall equal the full cost of food service operations (which cost shall include the cost of obtaining, preparing, and serving food, but shall not include administrative costs), except that such payments to any institution shall not exceed (1) 85.75 cents for each lunch and supper served; (2) 47.75 cents for each breakfast served; or (3) 22.50 cents for each meal supplement served: *Provided*, That such amounts shall be adjusted each January 1 to the nearest one-fourth cent in accordance with the changes for the twelve-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor: *Provided further*, That the Secretary may make such adjustments in the maximum reimbursement levels as the Secretary determines appropriate after making the study prescribed in paragraph (4) of this subsection.

"(2) Any service institution shall be permitted to serve up to three meals per day of operation if at least one of the three meals is a meal supplement, and any service institution that is a camp shall be permitted to serve up to four meals per day of operation, if the service institution has the administrative capability, and the food preparation and food holding capabilities (where applicable), to manage more than one meal service per day, and if the service period of different meals does not coincide or overlap. Such meals may include a breakfast, a lunch, a supper, and meal supplements.

"(3) Every service institution, when applying for participation in the program, shall submit a complete budget for administrative costs related to the program, which shall be subjejct to approval by the State. Payment to service institutions for administrative costs shall equal the full amount of State approved administrative costs incurred, except that such payment to service institutions may not exceed the maximum allowable levels determined by the Secretary pursuant to the study prescribed in paragraph (4) of this subsection.

"(4)(A) The Secretary shall conduct a study of the food service operations carried out under the program. Such study shall include, but shall not be limited to—

"(i) an evaluation of meal quality as related to costs; and

"(ii) a determination whether adjustments in the maximum reimbursement levels for food service operation costs prescribed in paragraph (1) of this subsection should be made, including whether different reimbursement levels should be established for self-prepared meals and vendored meals and which site-related costs, if any, should be considered as part of administrative costs.

"(B) The Secretary shall also study the administrative costs of service institutions participating in the program and shall thereafter prescrbe maximum allowable levels for administrative payments that reflect the costs of such service institutions, taking into account the number of sites and children served, and such other factors as the Secretary determines appropriate to further the goals of efficient and effective administration of the program.

"(C) The Secretary shall report the results of such studies to Congress not later than December 1, 1977.

"(c) Payments shall be made to service institutions only for meals served during the months of May through September, except in the case of service institutions that operate food service programs for children on school

vacation at any time under a continuous school calendar.

"(d) Not later than April 15, May 15, and July 1 of each year, the Secretary shall forward to each State a letter of credit (advance program payment) that shall be available to each State for the payment of meals to be served in the month for which the letter of credit is issued. The amount of the advance program payment shall be an amount which the State demonstrates, to the satisfaction of the Secretary, to be necessary for advance program payments to service institutions in accordance with subsection (e) of this section. The Secretary shall also forward such advance program payments, by the first day of the month prior to the month in which the program will be conducted, to States that operate the program in months other than May through September. The Secretary shall forward any remaining payments due pursuant to subsection (b) of this section not later than sixty days following receipt of valid claims therefor.

"(e) (1) Not later than June 1, July 15, and August 15 of each year, or, in the case of service institutions that operate under a continuous school calendar, the first day of each month of operation, the State shall forward advance program payments to each service institution: *Provided*, That (A) the State shall not release the second month's advance program payment to any service institution that has not certified that it has held training sessions for its own personnel and the site personnel with regard to program duties and responsibilities, and (B) no advance program payment may be made for any month in which the service institution will operate under the program for less than ten days.

"(2) The amount of the advance program payment for any month in the case of any service institution shall be an amount equal to (A) the total program payment for meals served by such service institution in the same calendar month of the preceding calendar year, (B) 50 percent of the amount established by the State to be needed by such service institution for meals if such service institution contracts with a food service management company, or (C) 65 percent of the amount established by the State to be needed by such service institution for meals if such service institution prepares its own meals, whichever amount is greatest: *Provided*, That the advance program payment may not exceed the total amount estimated by the State to be needed by such service institution for meals to be served in the month for which such advance program payment is made or $40,000, whichever is less, except that a State may make a larger advance program payment to such service institution where the State determines that such larger payment is necessary for the operation of the program by such service institution and sufficient administrative and management capability to justify a larger payment is demonstrated. The State shall forward any remaining payment due a service institution not later than seventy-five days following receipt of valid claims. If the State has reason to believe that a service institution will not be able to submit a valid claim for reinbursement covering the period for which an advance program payment has been made, the subsequent month's advance program payment shall be withheld until such time as the State has received a valid claim. Program payments advanced to service institutions that are not subsequently deducted from a valid claim for reimbursement shall be repaid upon demand by the State. Any prior payment that is under dispute may be subtracted from an advance program payment.

"(f) Service institutions receiving funds under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served without cost to children attending service institutions approved for operation under this section, except that, in the case of camps, charges may be made for meals served to children other than those who meet the eligibility requirements for free or reduced price meals in accordance with subsection (a) (5) of this section. To assure meal quality, States shall, with the assistance of the Secretary, prescribe model meal specifications and model food quality standards, and ensure that all service institutions contracting for the preparation of meals with food service management companies include in their contracts menu cycles, local food safety standards, and food quality standards approved by the State. Such contracts shall require (A) periodic inspections, by an independent agency or the local health department for the locality in which the meals are served, of meals prepared in accordance with the contract in order to determine bacteria levels present in such meals, and (B) that bacteria levels conform to the standards which are applied by the local health authority for that locality with respect to the levels of bacteria that may be present in meals served by other establishments in that locality. Such inspections and any testing resulting therefrom shall be in accordance with the practices employed by such local health authority.

"(g) The Secretary shall publish proposed regulations relating to the implementation of the program by November 1 of each fiscal year, final regulations by January 1 of each fiscal year, and guidelines, applications, and handbooks by February 1 of each fiscal year: *Provided*, That for fiscal year 1978, those portions of the regulations relating to payment rates for both food service operations and administrative costs need not be published until December 1 and February 1, respectively. In order to improve program planning, the Secretary may provide that service institutions be paid as startup costs not to exceed 20 percent of the administrative funds provided for in the administrative budget approved by the State under subsection (b) (3) of this section. Any payments made for startup costs shall be subtracted from amounts otherwise payable for administrative costs subsequently made to service institutions under subsection (b) (3) of this section.

"(h) Each service institution shall, insofar as practicable, use in its food service under the program foods designated from time to time by the Secretary as being in abundance. The Secretary is authorized to donate to States, for distribution to service institutions, food available under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), or purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1). Donated foods may be distributed only to service institutions that can use commodities efficiently and effectively, as determined by the Secretary.

"(i) If any State (1) is unable for any reason to disburse the funds otherwise payable to it under this section, or (2) does not operate the program in accordance with the requirements of this section, the Secretary shall assume authority for administration of the program in such State, and shall disburse the funds directly to service institutions in the State for the same purposes and subject to the same conditions as are required of a State disbursing funds made available under this section. In cases described in clause (1) of the preceding sentence, the State shall notify the Secretary, not later than January 1 of each fiscal year in which the program is operated, of its intention not to administer the program.

"(j) Expenditures of funds from State and local sources for the maintenance of food programs for children shall not be diminished as a result of funds received under this section.

"(k) (1) The Secretary shall pay to each State for its administrative costs incurred under this section in any fiscal year an amount equal to (A) 20 percent of the first $50,000 in funds distributed to that State for the program in the preceding fiscal year; (B) 10 percent of the next $50,000 in funds distributed to that State for the program in the preceding fiscal year; (C) 5 percent of the next $100,000 in funds distributed to that State for the program in the preceding fiscal year; and (D) 2 percent of any remaining funds distributed to that State for the program in the preceding fiscal year: *Provided*, That such amounts may be adjusted by the Secretary to reflect changes in the size of that State's program since the preceding fiscal year.

"(2) The Secretary shall establish standards and effective dates for the proper, efficient, and effective administration of the program by the State. If the Secretary finds that the State has failed without good cause to meet any of the Secretary's standards or has failed without good cause to carry out the approved State management and administration plan under subsection (n) of this section, the Secretary may withhold from the State such funds authorized under this subsection as the Secretary determines to be appropriate.

"(3) To provide for adequate nutritional and food quality monitoring, and to further the implementation of the program, an additional amount, not to exceed the lesser of actual costs or 1 percent of program funds, shall be made available by the Secretary to States to pay for State or local health department inspections, and to reinspect facilities and deliveries to test meal quality.

"(l) (1) Service institutions may contract on a competitive basis only with food service management companies registered with the State in which they operate for the furnishing of meals or management of the entire food service under the program, except that a food service management company entering into a contract with a service institution under this section may not subcontract with a single company for the total meal, with or without milk, or for the assembly of the meal. The Secretary shall prescribe additional conditions and limitations governing assignment of all or any part of a contract entered into by a food service management company under this section. Any food service management company shall, in its bid, provide the service institution information as to its meal capacity. The State shall, upon award of any bid, review the company's registration to calculate how many remaining meals the food service management company is equipped to prepare.

"(2) Each State shall provide for the registration of food service management companies. For the purposes of this section, registration shall include, at a minimum—

"(A) certification that the company meets applicable State and local health, safety, and sanitation standards;

"(B) disclosure of past and present company owners, officers, and directors, and their relationship, if any, to any service institution or food service management company that received program funds in any prior fiscal year;

"(C) records of contract terminations or disallowances, and health, safety, and sanitary code violations, in regard to program operations in prior fiscal years; and

"(D) the addresses of the company's food preparation and distribution sites.

No food service management company may be registered if the State determines that such company (i) lacks the administrative and financial capability to perform under the program, or (ii) has been seriously deficient in its participation in the program in prior fiscal years.

"(3) In order to ensure that only qualified food service management companies contract for services in all States, the Secretary shall maintain a record of all registered food service management companies and their program record for the purpose of making such information available to the States.

"(4) In accordance with regulations issued by the Secretary, positive efforts shall be made by service institutions to use small businesses and minority-owned businesses as sources of supplies and services. Such efforts shall afford those sources the maximum feasible opportunity to compete for contracts using program funds.

"(5) Each State, with the assistance of the Secretary, shall establish a standard form of contract for use by service institutions and food service management companies. The Secretary shall prescribe requirements governing bid and contract procedures for acquisition of the services of food service management companies, including, but not limited to, bonding requirements (which may provide exemptions applicable to contracts of $100,000 or less), procedures for review of contracts by States, and safeguards to prevent collusive bidding activities between service institutions and food service management companies.

"(m) States and service institutions participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines necessary.

"(n) Each State desiring to participate in the program shall notify the Secretary by January 1 of each year of its intent to administer the program and shall submit for approval by February 15 a management and administration plan for the program for the fiscal year, which shall include, but not be limited to, (1) the State's administrative budget for the fiscal year, and the State's plans to comply with any standards prescribed by the Secretary under subsection (k) of this section; (2) the State's plans for use of program funds and funds from within the State to the maximum extent practicable to reach needy children, including the State's methods for assessing need, and its plans and schedule for informing service institutions of the availability of the program; (3) the State's best estimate of the number and character of service institutions and sites to be approved, and of meals to be served and children to participate for the fiscal year, and a description of the estimating methods used; (4) the State's plans and schedule for providing technical assistance and training eligible service institutions; (5) the State's schedule for application by service institutions; (6) the actions to be taken to maximize the use of meals prepared by service institutions and the use of school food service facilities; (7) the State's plans for monitoring and inspecting service institutions, feeding sites, and food service management companies and for ensuring that such companies do not enter into contracts for more meals than they can provide effectively and efficiently; (8) the State's plan and schedule for registering food service management companies; (9) the State's plan for timely and effective action against program violators; (10) the State's plan for determining the amounts of program payments to service institutions and for disbursing such payments; (11) the State's plan for ensuring fiscal integrity by auditing service institutions not subject to auditing requirements prescribed by the Secretary; and (12) the State's procedure for granting a hearing and prompt determination to any service institution wishing to appeal a State ruling denying the service institution's application for program participation or for program reimbursement.

"(o)(1) Whoever, in connection with any application, procurement, recordkeeping entry, claim for reimbursement, or other document or statement made in connection with the program, knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious, or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, or whoever, in connection with the program, knowingly makes an opportunity for any person to defraud the United States, or does or omits to do any act with intent to enable any person to defraud the United States, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

"(2) Whoever being a partner, officer, director, or managing agent connected in any capacity with any partnership, association, corporation, business, or organization, either public or private, that receives benefits under the program, knowingly or willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any benefits provided by this section or any money, funds, assets, or property derived from benefits provided by this section, shall be fined not more than $10,000 or imprisoned for not more than five years, or both (but, if the benefits, money, funds, assets, or property involved is not over $200, then the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both).

"(3) If two or more persons conspire or collude to accomplish any act made unlawful under this subsection, and one or more of such persons do any act to effect the object of the conspiracy or collusion, each shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"(p) For the fiscal years beginning October 1, 1977, and ending September 30, 1980, there are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.".

CONFORMING AMENDMENT

SEC. 3. The National School Lunch Act and the Child Nutrition Act of 1966 are each amended by striking out "nonfood assistance" each time such phrase appears in such Acts and by inserting in lieu thereof "food service equipment". The heading of section 5 of the National School Lunch Act is amended to read "Food Service Equipment Assistance", and the heading of section 5 of the Child Nutrition Act of 1966 is amended to read "Food Service Equipment Assistance".

FOOD SERVICE EQUIPMENT ASSISTANCE

SEC. 4. Section 5 of the Child Nutrition Act of 1966 is amended by—

(1) striking out the last sentence of subsection (b) and inserting in lieu thereof the following: "Payments to any State of funds apportioned under the provisions of this subsection for any fiscal year shall be made upon condition that at least one-fourth of the cost of equipment financed under this subsection shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this section to assist schools that are especially needy, as determined by criteria to be established by each State and approved by the Secretary. States shall apportion their share of funds under this subsection by giving priority to schools without a food service program and schools without the facilities to prepare and cook hot meals at the schools (including schools having equipment that is so antiquated or impaired as to endanger the continuation of an adequate food service program or the ability to prepare and cook hot meals) or at a kitchen that serves the schools and that is operated by the local school district or by a nonprofit private school or the authority that is responsible for the administration of one or more nonprofit private schools. After making funds available to such schools, the State shall make the remaining funds available to schools with a food service program and with the facilities to prepare and cook hot meals at the schools or at a kitchen that serves the schools and that is operated by the local school district or by a nonprofit private school or the authority that is responsible for the administration of one or more nonprofit private schools, for the purpose of purchasing needed replacement equipment.";

(2) amending subsection (e) to read as follows:

"(e) For the fiscal years ending September 30, 1978, September 30, 1979, and September 30, 1980, 33⅓ percent of the funds appropriated for the purposes of this section shall be reserved to the Secretary to assist schools without a food service program and schools without the facilities to prepare and cook hot meals or receive hot meals. The Secretary shall apportion the funds so reserved among the States on the basis of the ratio of the number of children in each State enrolled in schools without a food service program and in schools without the facilities to prepare and cook hot meals or receive hot meals to the number of children in all States enrolled in schools without a food service program and in schools without the facilities to prepare and cook hot meals or receive hot meals. In those States in which the Secretary administers the food service equipment assistance program in nonprofit private schools, the Secretary shall withhold from the funds apportioned to any such State under this subsection an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service program or without the facilities to prepare and cook hot meals or receive hot meals in such State bears to the total number of children enrolled in all schools without a food service program or without the facilities to prepare and cook hot meals or receive hot meals in such State. The funds so reserved, apportioned, and withheld shall be used by the State, or the Secretary in the case of nonprofit private schools, only to assist schools without a food service program and schools without the facilities to prepare and cook hot meals or receive hot meals. If any State cannot use all the funds apportioned to it under the provisions of this subsection, the Secretary shall make further apportionment to the remaining States for use only in assisting schools without a food service program and schools without the facilities to prepare and cook hot meals or receive hot meals. If after such further apportionment, any funds received under this subsection remain unused, the Secretary shall immediately apportion such funds among the States in accordance with the provisions of subsection (b) of this section. Payment to any State of funds under the provisions of this subsection shall be made upon the condition that at least one-fourth of the cost of the equipment financed shall be borne by funds from sources within the State, except that such condition shall not apply with respect to funds used under this subsection to assist schools that are especially needy, as determined by criteria established by each State and approved by the Secretary.";

(3) adding at the end thereof a new subsection (f) to read as follows:

"(f)(1) Funds authorized for the purposes of this section shall be used only for facilities that enable schools, or local public or private nonprofit institutions under the conditions prescribed in paragraph (2) of this subsection, to prepare and cook hot meals or receive hot meals at the school or institution unless the school can demonstrate to the

satisfaction of the State (or, in the case of nonprofit private schools in States where the Secretary administers the food service equipment program in such schools, to the satisfaction of the secretary) that an alternative method of meal preparation is necessary for the introduction or continued existence of the school lunch or breakfast program in such school or to improve the consumption of food or the participation of eligible children in the program.

"(2) If a school authorized to receive funds under this section cannot establish a food service program of hot meals prepared and cooked by the school, or received by the school, and the school enters into an agreement with a public or private nonprofit institution to provide the school lunch or breakfast program for children attending the school, the funds provided under this section may be used for food service facilities to be located at such institution, if (A) the school retains legal title to such facilities and, (B) in the case of funds made available under subsection (e) of this section, the institution would otherwise be without such facilities."; and

(4) striking out the comma after "as amended" in subsection (a), inserting a period in lieu thereof, and striking out the remainder of the sentence.

COMMODITY DISTRIBUTION PROGRAM

SEC. 5. Section 6(b) of the National School Lunch Act is amended to read as follows:

"(b) Not later than May 15 of each school year, the Secretary shall make an estimate of the value of agricultural commodities and other foods that will be delivered during that school year to States for the school lunch program. If such estimated value is less than the total level of assistance authorized under subsection (e) of this section, the Secretary shall pay to each State educational agency, not later than June 15 of that school year, an amount of funds that is equal to the difference between the value of such deliveries as then programed for such State and the total level of assistance authorized under subsection (e) of this section. In any State in which the Secretary directly administers the school lunch program in any of the schools of the State, the Secretary shall withhold from the funds to be paid to such State under the provisions of this subsection an amount that bears the same ratio to the total of such payment as the number of lunches served in schools in which the school lunch program is directly administered by the Secretary during that school year bears to the total of such lunches served under the school lunch program in all the schools in such State in such school year. Each State educational agency, and the Secretary in the case of private schools in which the Secretary directly administers the school lunch program, shall promptly and equitably disburse such funds to schools participating in the school lunch program, and such disbursements shall be used by such schools to purchase United States agricultural commodities and other foods for their food service program. Such foods shall be limited to the requirements for lunches and breakfasts for children as provided for in regulations issued by the Secretary.".

PURCHASE OF FOODS FOR THE COMMODITY DISTRIBUTION PROGRAM

SEC. 6. Section 14 of the National School Lunch Act is amended by—

(1) striking out "September 30, 1977" in subsection (a) and inserting in lieu thereof "September 30, 1982"; and

(2) adding at the end thereof new subsections (c), (d), and (e) as follows:

"(c) The Secretary may use funds appropriated from the general fund of the Treasury to purchase agricultural commodities and their products of the types customarily purchased for donation under section 707(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3045f(a)(4)) or for cash payments in lieu of such donations under section 707(d)(1) of such Act (42 U.S.C. 3045f(d)(1)). There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this subsection.

"(d) In providing assistance under this Act and the Child Nutrition Act of 1966 for school lunch and breakfast programs, the Secretary shall establish procedures which will—

"(1) ensure that the views of local school districts and private nonprofit schools with respect to the type of commodity assistance needed in schools are fully and accurately reflected in reports to the Secretary by the State with respect to State commodity preferences and that such views are considered by the Secretary in the purchase and distribution of commodities and by the States in the allocation of such commodities among schools within the States;

"(2) solicit the views of States with respect to the acceptability of commodities;

"(3) ensure that the timing of commodity deliveries to States is consistent with State school year calendars and that such deliveries occur with sufficient advance notice;

"(4) provide for systematic review of the costs and benefits of providing commodities of the kind and quantity that are suitable to the needs of local school districts and private nonprofit schools; and

"(5) make available technical assistance on the use of commodities available under this Act and the Child Nutrition Act of 1966. Within eighteen months after the date of the enactment of this subsection, the Secretary shall report to Congress on the impact of procedures established under this subsection, including the nutritional, economic, and administrative benefits of such procedures. In purchasing commodities for programs carried out under this Act and the Child Nutrition Act of 1966, the Secretary shall establish procedures to ensure that contracts for the purchase of such commodities shall not be entered into unless the previous history and current patterns of the contracting party with respect to compliance with applicable meat inspection laws and with other appropriate standards relating to the wholesomeness of food for human consumption are taken into account.

"(e) Each State educational agency that receives food assistance payments under this section for any school year shall establish for such year an advisory council, which shall be composed of representatives of schools in the State that participate in the school lunch program. The council shall advise such State agency with respect to the needs of such schools relating to the manner of selection and distribution of commodity assistance for such program.".

REFUSAL OF COMMODITIES

SEC. 7. Section 6(a) of the National School Lunch Act is amended by inserting immediately after the first sentence the following: "Any school participating in food service programs under this Act may refuse to accept delivery of not more than 20 percent of the total value of agricultural commodities and other foods tendered to it in any school year; and if a school so refuses, that school may receive, in lieu of the refused commodities, other commodities to the extent that other commodities are available to the State during that year.".

ACCEPTANCE OF OFFERED FOODS

SEC. 8. The third sentence of section 9(a) of the National School Lunch Act is amended to read as follows: "Students in senior high schools that participate in the school lunch program under this Act (and, when approved by the local school district or nonprofit private schools, students in any other grade level in any junior high school or middle school) shall not be required to accept offered foods they do not intend to consume, and any such failure to accept offered foods shall not affect the full charge to the student for a lunch meeting the requirements of this subsection or the amount of payments made under this Act to any such school for such lunch.".

SPECIAL ASSISTANCE

SEC. 9. Section 11(a) of the National School Lunch Act is amended by inserting immediately after the first sentence the following new sentences: "In the case of any school which determines that at least 80 percent of the children in attendance during a school year (hereinafter in this sentence referred to as the 'first school year') are eligible for free lunches or reduced-price lunches, special-assistance payments shall be paid to the State educational agency with respect to that school, if that school so requests for the school year following the first school year, on the basis of the number of free lunches or reduced-price lunches, as the case may be, that are served by that school during the school year for which the request is made, to those children who were determined to be so eligible in the first school year and the number of free lunches and reduced-price lunches served during that year to other children determined for that year to be eligible for such lunches. In the case of any school that (1) elects to serve all children in that school free lunches under the school lunch program during any period of three successive school years and (2) pays, from sources other than Federal funds, for the costs of serving such lunches which are in excess of the value of assistance received under this Act with respect to the number of lunches served during that period, special-assistance payments shall be paid to the State educational agency with respect to that school during that period on the basis of the number of lunches determined under the succeeding sentence. For purposes of making special-assistance payments in accordance with the preceding sentence, the number of lunches served by a school to children eligible for free lunches and reduced-price lunches during each school year of the three-school-year period shall be deemed to be the number of lunches served by that school to children eligible for free lunches and reduced-price lunches during the first school year of such period, unless that school elects, for purposes of computing the amount of such payments, to determine on a more frequent basis the number of children eligible for free and reduced-price lunches who are served lunches during such period.".

PILOT PROJECTS

SEC. 10. The National School Lunch Act is amended by—

(1) inserting in section 6(a)(3) immediately after "participants in these programs" the following: ", for pilot projects and the cash-in-lieu of commodities study required to be carried out under section 20 of this Act,"; and

(2) adding at the end thereof a new section 20 as follows:

"PILOT PROJECTS

"SEC. 20. (a) The Secretary shall conduct pilot projects with respect to local school districts or other appropriate units, or groups of program participants, for the purpose of determining whether there may be more efficient, healthful, economical, and reliable methods of operating school lunch, school breakfast, and summer feeding programs under this Act and the Child Nutrition Act of 1966, and methods for operating such programs that will result in improved delivery of benefits thereunder in accordance with the purposes of such Acts. Such projects shall, notwithstanding any other provision of law, include (1) not more than ten projects providing participating schools or other institutions the option of receiving all or part

cash assistance in lieu of commodities under such Acts for such nutrition programs operated in such schools or institutions, (2) projects designed to streamline or reduce reporting requirements by local school districts, and (3) projects using the United States Department of Agriculture Extension Service to aid in nutrition training and education in schools and other institutions.

"(b) The Secretary shall conduct a study to analyze the impact and effect of cash payments in lieu of commodities. The study shall be limited to a comparison between a State that phased out its commodity distribution facilities prior to June 30, 1974, and elected to receive cash payments in lieu of donated foods, and a State not eligible for cash payments in lieu of donated foods. Such study shall include an assessment of the administrative feasibility and nutritional impact of cash payments in lieu of donated foods, the cost savings, if any, that may be effected thereby at the Federal, State, and local levels, any additional costs that may be placed on programs and participating students, the impact on Federal programs designed to provide adequate income to farmers, the impact on the quality of food served, and the impact on plate waste in school lunch and breakfast programs.

"(c) The Secretary shall report to Congress, not later than eighteen months after the date of the enactment of this section, on the results of the pilot projects and study conducted under this section. In connection with such pilot projects, such report shall include an assessment of the methods employed in such projects for operating school lunch, school breakfast, and summer feeding programs, in terms of the following factors—

"(1) the administrative feasibility and nutritional impact;

"(2) the cost savings that may be effected at Federal, State, and local levels;

"(3) the impact on Federal programs designed to provide adequate income to farmers;

"(4) the impact on the quality of food served; and

"(5) the impact on plate waste.".

SPECIAL MILK PROGRAM

SEC. 11. The fifth sentence of section 3 of the Child Nutrition Act of 1966 is amended to read as follows: "Children who qualify for free lunches under guidelines set forth by the Secretary shall also be eligible for free milk, when milk is made available at times other than the periods of meal service in outlets that operate a food service program under sections 4 and 17 of the National School Lunch Act and section 4 of this Act.".

SCHOOL BREAKFAST PROGRAM

SEC. 12. Section 4 of the Child Nutrition Act of 1966 is amended by—

(1) inserting "(1)" after the subsection designation for subsection (b);

(2) striking out the last sentence in subsection (b); and

(3) adding at the end of subsection (b) a new paragraph (2) as follows:

"(2)(A) The Secretary shall make additional payments for breakfasts served to children qualifying for a free or reduced-price meal at schools that are in severe need.

"(B) The maximum payment for each such free breakfast shall be the higher of—

"(i) the national average payment established by the Secretary for free breakfasts plus 10 cents, or

"(ii) 45 cents, which shall be adjusted on a semiannual basis each July 1 and January 1 to the nearest one-fourth cent in accordance with changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for the most recent six-month period for which such data are available, except that the initial such adjustment shall be made on January 1, 1978, and shall reflect the change in the series of food away from home during the period November 1, 1976, to October 31, 1977.

"(C) The maximum payment for each such reduced-price breakfast shall be five cents less than the maximum payment for each free breakfast as determined under clause (B) of this paragraph."; and

(4) amending subsection (d) to read as follows:

"(d) Each State educational agency shall establish eligibility standards for providing additional assistance to schools in severe need where the rate per meal established by the Secretary is insufficient to carry out an effective breakfast program in such a school. Such eligibility standards shall be submitted to the Secretary for approval and included in the State plan of child nutrition operations required by section 11(e)(1) of the National School Lunch Act. Pursuant to those State eligibility standards, a school, upon the submission of appropriate documentation about the need circumstances in that school and the school's eligibility for additional assistance, shall be entitled to receive 100 percent of the operating costs of the breakfast program, including the costs of obtaining, preparing, and serving food, or the meal reimbursement rate specified in paragraph (2) of section 4(b) of this Act, whichever is less.".

REDUCTION OF PAPERWORK

SEC. 13. The National School Lunch Act is amended by adding at the end thereof a new section 21 as follows:

"REDUCTION OF PAPERWORK

"SEC. 21. In carrying out functions under this Act and the Child Nutrition Act of 1966, the Secretary shall reduce, to the maximum extent possible, the paperwork required of State and local educational agencies, schools, and other agencies participating in child nutrition programs under such Acts. The Secretary shall report to Congress not later than one year after the date of enactment of this section on the extent to which a reduction in such paperwork has occurred.".

STATE ADMINISTRATIVE EXPENSES

SEC. 14 Section 7 of the Child Nutrition Act of 1966 is amended to read as follows:

"SEC. 7. (a)(1) The Secretary shall pay to each State for its administrative costs incurred pursuant to the administration of this Act and the National School Lunch Act for the fiscal year ending September 30, 1978, an amount equal to 1 percent, and for each of the fiscal years ending September 30, 1979, and September 30, 1980, an amount not less than 1 percent and not greater than 1½ percent of the funds used by each State under section 4, 11, and 17 of the National School Lunch Act and under sections 3, 4, and 5 of this Act during the second fiscal year preceding the fiscal year for which the amounts are to be paid: *Provided*, That in no case shall the payment to any State under this section be less than $75,000 per year nor shall any State receive less than the amount allocated to it for fiscal year 1977. The percentages specified in the foregoing sentence shall apply only to the first $100,000,000 in funds used under the prescribed sections of law. For those funds used that exceed $100,000,000, the Secretary shall pay an amount equal to 1 percent of such funds.

"(2) The Secretary shall make available to States administering the child care food program, for the purpose of conducting audits of participating child care institutions, an amount up to 2 percent of the funds used by each State under section 17 of the National School Lunch Act during the second fiscal year preceding the fiscal year for which the amount is to be paid.

"(b) The Secretary, in cooperation with the several States, shall develop State staffing standards for the administration by each State of sections 4, 11, and 17 of the National School Lunch Act, and sections 3, 4, and 5 of this Act, that will ensure sufficient staff for the planning and administration of programs covered by State administrative expenses.

"(c) Funds paid to a State under subsection (a) of this section may be used to pay salaries, including employee benefits and travel expenses, for administrative and supervisory personnel; for support services; for office equipment; and for staff development.

"(d) If any State agency agrees to assume responsibility for the administration of food service programs in nonprofit private schools or child care institutions that were previously administered by the Secretary, an appropriate adjustment shall be made in the administrative funds paid under this section to the State not later than the succeeding fiscal year.

"(e) Notwithstanding any other provision of law, funds available to each State under this section for fiscal year 1978 that are not obligated or expended in that fiscal year shall remain available for obligation and expenditure by that State in fiscal year 1979. For fiscal year 1979, and the succeeding fiscal year, the Secretary shall establish a date by which each State shall submit to the Secretary a plan for the disbursement of funds provided under this section for each such year, and the Secretary shall reallocate any unused funds, as evidenced by such plans, to other States as the Secretary deems appropriate.

"(f) The State may use a portion of the funds available under this section to assist in the administration of the commodity distribution program.

"(g) Each State shall submit to the Secretary for approval by October 1 of each year an annual plan for the use of State administrative expense funds, including a staff formula for State personnel, system level supervisory and operating personnel, and school level personnel.

"(h) Payments of funds under this section shall be made only to States that agree to maintain a level of funding out of State revenues, for administrative costs in connection with programs under this Act (except section 17 of this Act) and the National School Lunch Act (except section 13 of that Act), not less than the amount expended or obligated in fiscal year 1977.

"(i) For the fiscal years beginning October 1, 1977, and ending September 30, 1980, there are hereby authorized to be appropriated such sums as may be necessary for the purposes of this section.".

NUTRITION EDUCATION AND TRAINING

SEC. 15. The Child Nutrition Act of 1966 is amended by adding at the end thereof a new section 19 as follows:

"NUTRITION EDUCATION AND TRAINING

"SEC. 19. (a) Congress finds that—

"(1) the proper nutrition of the Nation's children is a matter of highest priority;

"(2) the lack of understanding of the principles of good nutrition and their relationship to health can contribute to a child's rejection of highly nutritious foods and consequent plate waste in school food service operations;

"(3) many school food service personnel have not had adequate training in food service management skills and principles, and many teachers and school food service operators have not had adequate training in the fundamentals of nutrition or how to convey this information so as to motivate children to practice sound eating habits;

"(4) parents exert a significant influence on children in the development of nutritional habits and lack of nutritional knowledge on the part of parents can have detrimental effects on children's nutritional development; and

"(5) there is a need to create opportunities for children to learn about the importance

of the principles of good nutrition in their daily lives and how these principles are applied in the school cafeteria.

"PURPOSE

"(b) It is the purpose of this section to encourage effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs by establishing a system of grants to State educational agencies for the development of comprehensive nutrition information and education programs. Such nutrition education programs shall fully use as a learning laboratory the school lunch and child nutrition programs.

"DEFINITIONS

"(e) For purposes of this section, the term 'nutrition information and education program' means a multidisciplinary program by which scientifically valid information about foods and nutrients is imparted in a manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices. Nutrition education programs shall include, but not be limited to, (A) instructing students with regard to the nutritional value of foods and the relationship between food and human health; (B) training school food service personnel in the principles and practices of food service management; (C) instructing teachers in sound principles of nutrition education; and (D) developing and using classroom materials and curricula.

"NUTRITION INFORMATION AND TRAINING

"(d)(1) The Secretary is authorized to formulate and carry out a nutrition information and education program, through a system of grants to State educational agencies, to provide for (A) the nutritional training of educational and food service personnel, (B) the food service management training of school food service personnel, and (C) the conduct of nutrition education activities in schools and child care institutions.

"(2) The program is to be coordinated at the State level with other nutrition activities conducted by education, health, and State Cooperative Extension Service agencies. In formulating the program, the Secretary and the State may solicit the advice and recommendations of the National Advisory Council on Child Nutrition; State educational agencies; the Department of Health, Education, and Welfare; and other interested groups and individuals concerned with improvement of child nutrition.

"(3) If a State educational agency is conducting or applying to conduct a health education program which includes a school-related nutrition education component as defined by the Secretary, and that health education program is eligible for funds under programs administered by the Department of Health, Education, and Welfare, the Secretary may make funds authorized in this section available to the Department of Health, Education, and Welfare to fund the nutrition education component of the State program without requiring an additional grant application.

"(4) The Secretary, in carrying out the provisions of this subsection, shall make grants to State educational agencies who, in turn, may contract with land-grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, as amended; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute, other institutions of higher education, and nonprofit organizations and agencies, for the training of educational and school food service personnel with respect to providing nutrition education programs in schools and the training of school food service personnel in school food service management. Such grants may be used to develop and conduct training programs for early childhood, elementary, and secondary educational personnel and food service personnel with respect to the relationship between food, nutrition, and health; educational methods and techniques, and issues relating to nutrition education; and principles and skills of food service management for cafeteria personnel.

"(5) The State, in carrying out the provisions of this subsection, may contract with State and local educational agencies, land-grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, as amended; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute, other institutions of higher education, and other public or private nonprofit educational or research agencies, institutions, or organizations to pay the cost of pilot demonstration projects in elementary and secondary schools with respect to nutrition education. Such projects may include, but are not limited to, projects for the development, demonstration, testing, and evaluation of curricula for use in early childhood, elementary, and secondary education programs.

"(6) Notwithstanding any other provision of this section, if, in any State, the State educational agency is prohibited by law from administering the program authorized by this section in nonprofit private schools and institutions, the Secretary may administer the program with respect to such schools and institutions.

"AGREEMENTS WITH STATE AGENCIES

"(e) The Secretary is authorized to enter into agreements with State educational agencies incorporating the provisions of this section, and issue such regulations as are necessary to implement this section.

"USE OF FUNDS

"(f)(1) The funds made available under this section may, under guidelines established by the Secretary, be used by State educational agencies for (A) employing a nutrition education specialist to coordinate the program, including travel and related personnel costs; (B) undertaking an assessment of the nutrition education needs of the State; (C) developing a State plan of operation and management for nutrition education; (D) applying for and carrying out planning and assessment grants; (E) pilot projects and related purposes; (F) the planning, development, and conduct of nutrition education programs and workshops for food service and educational personnel; (G) coordinating and promoting nutrition information and education activities in local school districts (incorporating, to the maximum extent practicable, as a learning laboratory, the child nutrition programs); (H) contracting with public and private nonprofit educational institutions for the conduct of nutrition education instruction and programs relating to the purposes of this section; and (I) related nutrition education purposes, including the preparation, testing, distribution, and evaluation of visual aids and other informational and educational materials.

"(2) Any State desiring to receive grants authorized by this section may, from the funds appropriated to carry out this section, receive a planning and assessment grant for the purposes of carrying out the responsibilities described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection. Any State receiving a planning and assessment grant, may, during the first year of participation, be advanced a portion of the funds necessary to carry out such responsibilities: *Provided*, That in order to receive additional funding, the State must carry out such responsibilities.

"(3) An amount not to exceed 15 percent of each State's grant may be used for up to 50 percent of the expenditures for overall administrative and supervisory purposes in connection with the program authorized under this section.

"(4) Nothing in this section shall prohibit State or local educational agencies from making available or distributing to adults nutrition education materials, resources, activities, or programs authorized under this section.

"ACCOUNTS, RECORDS, AND REPORTS

"(g)(1) State educational agencies participating in programs under this section shall keep such accounts and records as may be necessary to enable the Secretary to determine whether there has been compliance with this section and the regulations issued hereunder. Such accounts and records shall at all times be available for inspection and audit by representatives of the Secretary and shall be preserved for such period of time, not in excess of five years, as the Secretary determines to be necessary.

"(2) State educational agencies shall provide reports on expenditures of Federal funds, program participation, program costs, and related matters, in such form and at such times as the Secretary may prescribe.

"STATE COORDINATORS FOR NUTRITION; STATE PLAN

"(h)(1) In order to be eligible for assistance under this section, a State shall appoint a nutrition education specialist to serve as a State coordinator for school nutrition education. It shall be the responsibility of the State coordinator to make an assessment of the nutrition education needs in the State as provided in paragraph (2) of his subsection, prepare a State plan as provided in paragraph (3) of this subsection, and coordinate programs under this Act with all other nutrition education programs provided by the State with Federal or State funds.

"(2) Upon receipt of funds authorized by this section, the State coordinator shall prepare an itemized budget and assess the nutrition education needs of the State. Such assessment shall include, but not be limited to, the identification and location of all students in need of nutrition education. The assessment shall also identify State and local individual, group and institutional resources within the State for materials, facilities, staffs, and methods related to nutrition education.

"(3) Within nine months after the award of the planning and assessment grant, the State coordinator shall develop, prepare, and furnish the Secretary, for approval, a comprehensive plan for nutrition education within such State. The Secretary shall act on such plan not later than sixty days after it is received. Each such plan shall describe (A) the findings of the nutrition education needs assessment within the State; (B) provisions for coordinating the nutrition education program carried out with funds made available under this section with any related publicly supported programs being carried out within the State; (C) plans for soliciting the advice and recommendations of the National Advisory Council on Child Nutrition, the State educational agency, interested teachers, food nutrition professionals and paraprofessionals, school food service personnel, administrators, representatives from consumer groups, parents, and other individuals concerned with the improvement of child nutrition; (D) plans for reaching all students in the State with instruction in the nutritional value of foods and the relationships among food, nutrition, and health, for training food service personnel in the principles and skills of food service management, and for instructing teachers in sound principles of nutrition education; and (E) plans for using, on a priority basis, the resources of the land-grant colleges eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301–305, 307, and

308), or the Act of August 30, 1890 (26 Stat. 417, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute. To the maximum extent practicable, the State's performance under such plan shall be reviewed and evaluated by the Secretary on a regular basis, including the use of public hearings.

"APPROPRIATIONS AUTHORIZED

"(j)(1) For the fiscal years beginning October 1, 1977, and October 1, 1978, grants to the States for the conduct of nutrition education and information programs shall be based on a rate of 50 cents for each child enrolled in schools or in institutions within the State, except that no State shall receive an amount less than $75,000 per year.

"(2) For the fiscal year beginning October 1, 1979, there is hereby authorized to be appropriated for grants to each State for the conduct of nutrition education and information programs, an amount equal to the higher of (A) 50 cents for each child enrolled in schools or in institutions within each State, or (B) $75,000 for each State. Grants to each State from such appropriations shall be based on a rate of 50 cents for each child enrolled in schools or in institutions within such State, except that no State shall receive an amount less than $75,000 for that year. If funds appropriated for such year are insufficient to pay the amount to which each State is entitled under the preceding sentence, the amount of such grant shall be ratably reduced to the extent necessary so that the total of such amounts paid does not exceed the amount of appropriated funds. If additional funds become available for making such payments, such amounts shall be increased on the same basis as they were reduced.

"(3) Enrollment data used for purposes of this subsection shall be the latest available as certified by the Office of Education of the Department of Health, Education, and Welfare.".

NATIONAL ADVISORY COUNCIL ON CHILD NUTRITION

SEC. 16. Section 15 of the National School Lunch Act is amended by—

(1) striking out in the first sentence "fifteen" and inserting in lieu thereof "nineteen";

(2) inserting immediately after "classroom teacher," in the second sentence the following: "two members shall be parents of children in schools that participate in the school lunch program under this Act, two members shall be senior high school students who participate in the school lunch program under this Act,";

(3) amending subsection (b) to read as follows:

"(b) The fifteen members of the Council appointed from outside the Department of Agriculture shall be appointed for terms of two years, except that the appointments for 1978 shall be made as follows: Two replacements, one parent, and one senior high school student shall be appointed for terms of two years; and two replacements, one parent, and one senior high school student shall be appointed for terms of one year. Thereafter, all appointments shall be for a term of two years, except that a person appointed to fill an unexpired term shall serve only for the remainder of such term. Parents and senior high school students appointed to the Council shall be members of State or school district child nutrition councils or committees actively engaged in providing program advice and guidance to school officials administering the school lunch program. Such appointments shall be made in a manner to balance rural and urban representation between parents and students. Members appointed from the Department of Agriculture shall serve at the pleasure of the Secretary."; and

(4) striking out the period at the end of subsection (h) and inserting in lieu thereof the following: ": Provided, That members serving as parents, in addition to reimbursement for necessary travel and subsistence, shall, at the discretion of the Secretary, be compensated for other personal expenses related to participation on the Council, such as child care expenses and lost wages during scheduled Council meetings.".

REGULATIONS ON SALE OF COMPETITIVE FOODS

SEC. 17. Section 10 of the Child Nutrition Act of 1966 is amended by inserting "approved by the Secretary" after "competitive foods" in the second sentence.

NATIONAL ADVISORY COUNCIL ON THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

SEC. 18. Section 17(h)(8) of the Child Nutrition Act of 1966 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "Provided, That parent recipient members of the Council, in addition to reimbursement for necessary travel and subsistence, shall, at the discretion of the Secretary, be compensated for other personal expenses related to participation on the Council, such as child care expenses and lost wages during scheduled Council meetings.".

TECHNICAL AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

SEC. 19. Effective July 1, 1977, the National School Lunch Act is amended by—

(a) striking out "fiscal" the second and third time that word appears in section 6(e) of the Act and inserting in lieu thereof "school";

(b) amending section 7 of the Act as follows:

(1) by amending the first sentence to read as follows: "Funds appropriated to carry out section 4 or 5 during any fiscal year shall be available for payment to the States for disbursement by State educational agencies, in accordance with such agreements, not inconsistent with the provisions of this Act, as may be entered into by the Secretary and such State educational agencies, for the purpose of assisting schools of the States in supplying (1) agricultural commodities and other foods for consumption by children and (2) food service equipment assistance in furtherance of the school lunch program authorized under this Act.";

(2) by striking out "fiscal" the second time that word appears in the third sentence and inserting in lieu thereof "fiscal or school";

(3) by striking out "fiscal" in the fourth sentence and inserting in lieu thereof "fiscal or school";

(4) by amending the sixth sentence to read as follows: "For the school year beginning in 1976, State revenue (other than revenues derived from the program) appropriated or used specifically for program purposes (other than salaries and administrative expenses at the State, as distinguished from local, level) shall constitute at least 8 percent of the matching requirement for the preceding school year, or, at the discretion of the Secretary, fiscal year, and for each school year thereafter, at least 10 percent of the matching requirement for the preceding school year.";

(c) inserting at the end of section 12(d) of the Act a new paragraph (7) as follows:

"(7) 'School year' means the annual period determined in accordance with regulations issued by the Secretary."; and

(d) striking out "fiscal year" each time that phrase appears in the last sentence of section 17(e) of the Act and inserting in lieu thereof "school year".

TECHNICAL AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

SEC. 20. Effective July 1, 1977, the Child Nutrition Act of 1966 is amended by—

(1) striking out "fiscal" the second and third time that word appears in the sixth sentence of section 3 of the Act and inserting in lieu thereof "school";

(2) striking out "thereafter, beginning with the fiscal year ending June 30, 1976," in the sixth sentence of section 3 of the Act;

(3) striking out "fiscal" the first and second time that word appears in section 5(b) of the Act and inserting in lieu thereof "school";

(4) striking out "fiscal" each place that word appears in section 5(d) of the Act and inserting in lieu thereof "school";

(5) inserting at the end of section 15 of the Act the following new paragraph (e):

"(e) 'School year' means the annual period determined in accordance with regulations issued by the Secretary."; and

(6) striking out "by January 1 of each year (by December 1 in the case of fiscal year 1976)" in the second sentence of section 17(d) of the Act and inserting in lieu thereof "each year by not later than a date specified by the Secretary".

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.

CARL D. PERKINS,
WILLIAM D. FORD,
IKE ANDREWS,
MIKE BLOUIN,
PAUL SIMON,
LEO C. ZEFERETTI,
RON MOTTL,
AUSTIN J. MURPHY,
JOSEPH A. LE FANTE,
TED WEISS,
CEC HEFTEL,
BALTASAR CORRADA,
DALE E. KILDEE,
GEO. MILLER,
ALBERT H. QUIE,
JOHN BUCHANAN,
LARRY PRESSLER,
BILL GOODLING,
SHIRLEY N. PETTIS,
CARL PURSELL,
Managers on the Part of the House.

HERMAN E. TALMADGE,
GEORGE MCGOVERN,
HUBERT HUMPHREY,
DICK CLARK,
PATRICK J. LEAHY,
ROBERT DOLE,
HENRY BELLMON,
JESSE HELMS,
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. 1139) to amend the National School Lunch Act and the Child Nutrition Act of 1966, to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The 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.

SHORT TITLE

The *House* bill provides that the bill may be cited as the "National School Lunch Act and Child Nutrition Amendments of 1977".

The *Senate* amendment provides that the bill may be cited as the "Child Nutrition Act of 1977".

The *Conference* substitute adopts the *House* provision.

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SEC. 2)

(1) Definition of agency

The *House* bill uses the term "service institution" to define the local agency responsible for administering the summer program.

The *Senate* amendment uses the word "sponsor" to define the local agency responsible for administering the summer program (and, at times, in the text of the bill uses the word "institution").

The *Conference* substitute adopts the *House* provision.

(2) Eligible participants in summer food program

The *House* bill defines eligible children as (a) individuals who are 18 years of age or under and (b) individuals over 18 years of age who are mentally and physically handicapped and participating in a public school program for the mentally or physically handicapped.

The *Senate* amendment defines eligible children as individuals who are 20 years of age or under.

The *Conference* substitute adopts the *House* provision.

(3) Definition of State

The *House* bill defines "State" to include the Northern Mariana Islands.

The *Senate* amendment contains no comparable provision.

The *Conference* substitue adopts the *House* provision.

(4) Onsite meal preparation

The *Senate* amendment provides that from the annual appropriations for the summer program, $1.5 million will be used to assist sponsors (which offer federally subsidized food service year-round) with equipment to establish, maintain, and expand onsite meal preparation.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

(5) Application by more than one eligible sponsor

The *House* bill authorizes the Secretary of Agriculture to establish priorities for approval when more than one eligible institution applies to serve the same area or children and designates the criteria—among others—the Secretary is to use.

The enumerated criteria are:

(A) whether the service institutions use local school food facilities for the preparation of meals;

(B) whether the service institutions prepare meals at their own facilities or operate only one site;

(C) whether the service institutions have demonstrated successful program performance in a prior year;

(D) whether the service institutions are public or nonprofit private schools with food service facilities;

(E) whether the service institutions plan to integrate the program with other Federal, State, or local employment programs; and

(F) whether the service institutions have demonstrated successful program performance in a prior year.

The *Senate* amendment establishes an order priority when more than one eligible sponsor applies to serve the same area that must be used by the States. The order of priority is:

(A) sponsors that have demonstrated successful program performance in a prior year;

(B) sponsors that prepare meals at their own facilities or that operate only one site;

(C) sponsors that use local school food facilities for the preparation of meals;

(D) other sponsors that have demonstrated ability for successful program operation; and

(E) sponsors that plan to integrate the program with other Federal, State or local employment programs.

The *Conference* substitute adopts the *Senate* provision with an amendment to include schools among the institutions to be given first preference in the order of priority. Service institutions that have demonstrated successful program performance are the other category receiving first preference.

(6) Rural areas

The *House* bill requires the Secretary and the States to actively seek eligible institutions located in rural areas and assist them in applying for participation in the summer program.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(7) Reimbursement for meals served by camps

The *House* bill limits reimbursement to camps to meals served to children eligible for free or reduced price meals.

The *Senate* amendment is the same as the *House* bill but applies specifically to residential camps.

The *Conference* substitute adopts the *House* provision.

(8) Multiple meal service

The *House* bill provides that service institutions other than camps may serve up to three meals a day, *only* if (a) the institution has the administrative capability and the food preparation and holding facilities to manage more than one meal a day, and (b) the service of different meals does not coincide or overlap.

The *Senate* amendment provides that sponsors other than residential camps and day camps may serve up to three meals a day.

The *Conference* substitute adopts the *House* provision. "Camps" means both residential camps and those nonresidential service institutions serving four or more meals per day.

(9) Secretary's study

The *House* bill requires the Secretary to conduct a study of the cost of food service operations. The Secretary may make such adjustments in the maximum reimbursement levels as he determines appropriate. The findings of this study (and a study of administrative costs) are to be reported to the President and Congress by February 1, 1978.

The *Senate* amendment requires the Secretary to conduct a study of the costs of food service operations. Consideration is to be given to whether different levels of reimbursement for such costs should be established for meals prepared by the sponsor and those prepared by a vendor and which, if any, costs incurred at a site should be considered as administrative costs. The study shall include an evaluation of meal quality as related to costs and a determination whether adjustments in maximum reimbursement levels for food service operation costs should be made. The findings of the study (and a study of administrative costs) are to be reported to Congress by December 1, 1977.

The *Conference* substitute adopts the *Senate* provision.

(10) Advance payments to States

The *Senate* amendment requires the Secretary to forward a letter of credit to the States not later than April 15, May 15, and July 1 of each year in an amount that the State demonstrates is necessary for advance payments to sponsors. The Secretary shall forward such advance payments to States that operate the summer program in months other than May through September by the first day of the month prior to the month in which the program will be conducted. The Secretary is further required to complete the payment to States of any summer program funds due within sixty days following the receipt of valid claims.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(11) Meal specification

The *House* bill requires the States, with the assistance of the Secretary, to prescribe model meal specifications *to the degree practicable.*

The *Senate* amendment is the same as the *House* bill does not include "to the degree practicable."

The *Conference* substitute adopts the *Senate* provision.

(12) Contract contents

The *House* bill requires that service institutions that contract with food service management companies for food preparation must include menu cycles and food quality standards approved by the States in the contracts.

The *Senate* amendment contains the same provision as the *House* bill but also requires inclusion of food safety standards.

The *Conference* substitute adopts the *Senate* provision with an amendment clarifying that it is the local food safety standards that must be met.

(13) Periodic inspection

The *House* bill requires that meals provided by food service management companies be periodically inspected by local health departments or independent agencies in accordance with local health standards to determine bacterial levels in the meals being served.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(14) Publication of fiscal year 1978 reimbursement rates

The *House* bill provides that all proposed program regulations be published by November 1 and final program regulations by January 1.

The *Senate* amendment contains the same provision as the *House* bill but provides that the regulations dealing with food service operation and administrative cost reimbursement rates for fiscal year 1978 need not be published until December 1 and February 1, respectively.

The *Conference* substitute adopts the *Senate* provision.

(15) Startup funds

The *House* bill limits startup funds to 20 percent of the administrative costs provided for in a service institution's approved administrative budget.

The *Senate* amendment authorizes the payment, as startup funds, of a percentage of the administrative costs provided for in a sponsor's approved administrative budget.

The *Conference* substitute adopts the *House* provision.

(16) USDA Administration

The *House* bill requires the Secretary to administer the program if the State is unable to administer it or if the State does not

operate the program in compliance with the Federal requirements.

The *Senate* amendment requires the Secretary to administer the program if the State is unable to administer it.

The *Conference* substitute adopts the *House* provision.

(17) State administrative expenses adjustment

The *House* bill provides that the basic State administrative expenses formula *may* be adjusted to reflect changes in the State's program since the preceding fiscal year.

The *Senate* amendment is the same as the *House* provision but substitutes "shall" for "may".

The *Conference* substitute adopts the *House* provision.

(18) Health facilities inspection and meal quality tests

The *House* bill provides an amount of funds, not to exceed actual costs or one percent of program funds, whichever is less, for State and local health departments to carry out inspections of health facilities and meal quality tests provided for in the bill.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

(19) Vendors

The *House* bill allows sponsors to contract on a competitive bid basis with food service management companies registered with the State.

The *Senate* amendment allows sponsors to contract on a competitive bid basis *only* with food service management companies registered with the State.

The *Conference* substitute adopts the *Senate* provision.

(20) Food service management company's capacity

The *Senate* amendment requires the State, upon award of any bid for program participation, to review the company's registration to calculate how many remaining meals the company is equipped to prepare.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(21) Vendor registration

The *House* bill requires the States to provide for the registration of all food service management companies that desire to participate in the summer program and specifies the information that must be included in the registration.

The *Senate* amendment contains the same provision as the *House* bill but (a) requires that the addresses of the venders food preparation and distribution sites be included in the registration and (b) does not require the disclosure of past company owners or sanitary code violations.

The *Conference* substitute adopts the *House* provision and the *Senate* provision requiring the disclosure of the addresses of the company's food preparation and distribution sites.

(22) Bid and contract procedures

The *House* bill requires the Secretary to prescribe requirements governing bid and contract procedures for acquisition of food service management companies' services, including, but not limited to, bonding requirements, procedures for review of contracts by States, and safeguards to prevent collusive bidding activities.

The *Senate* amendment contains the same provisions as the *House* bill but does not include bonding requirements.

The *Conference* substitute adopts the *House* provision with an amendment permitting the Secretary to exempt contracts of $100,000 or less from the bonding requirement.

(23) Use of small businesses and minority-owned businesses

The *Senate* amendment requires that positive efforts be made by sponsors to use small businesses and minority-owned businesses in the program.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(24) Standard form of contract

The *Senate* amendment requires the States, with the assistance of the Secretary, to prescribe a standard form of contract for use by sponsors and food service management companies.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(25) Submission of State plan for management and administration

The *House* bill requires all participating States to submit a State plan for management and administration to the Secretary for approval prior to a date established by the Secretary and states what the State plan must contain.

The *Senate* amendment requires States desiring to participate in the program to notify the Secretary by January 1 of each year of their intent to participate and to submit a State plan for approval by February 15. The *Senate* amendment contains all of the requirements for the State plan contained in the *House* bill, and in addition (a) requires inspection and monitoring of feeding sites, the State's schedule for sponsor application, and the State's plan and schedule for registering food service management companies, and (b) requires the State to include its plan for determining and disbursing "program payments" instead of "advance payments."

The *Conference* substitute adopts the *Senate* provision.

(26) Criminal penalties

The *House* bill provides criminal penalties for fraud or embezzlement by partners, officers, directors, or managing agents of an organization that receives benefits under the National School Lunch Act.

The *Senate* amendment contains the *House* provision but applies it specifically to entities receiving benefits under the summer food program.

The *Conference* substitute adopts the *Senate* provision.

(27) Authorization for appropriations

The *House* bill authorizes appropriations for fiscal years 1978 and 1979 of such sums as are necessary to carry out the program.

The *Senate* amendment authorizes appropriations for fiscal years 1978, 1979, and 1980 to carry out the summer food program.

The *Conference* substitute adopts the *Senate* provision.

FOOD SERVICE EQUIPMENT ASSISTANCE (SEC. 4)

(1) Priority for nonreserved funds

The *House* bill requires that States establish criteria approved by the Secretary of Agriculture for the determination of especially needy schools that are not required to fully match the cost of equipment financed under section 5(b) of the Child Nutrition Act.

The *Senate* amendment incorporates the provision in the *House* bill and further provides that States shall give priority in the apportionment of funds to schools without a food service and schools without the facilities to prepare and cook hot meals and allows unused funds to be used in assisting schools with a food service (and with the facilities to cook and prepare hot meals) to purchase needed replacement equipment.

The *Conference* substitute adopts the *Senate* provision with an amendment establishing that kitchens operated by private schools and schools having antiquated or impaired equipment are included in the priority provision. The determination whether equipment is antiquated or impaired would be made by the State educational agency (or by the Secretary in those cases where the Secretary directly administers the program).

(2) Reservation of funds

A. The *House* bill extends for three years the requirement that one-third of the funds appropriated for section 5 of the Child Nutrition Act of 1966 be reserved.

The *Senate* amendment extends this provision for five years.

The *Conference* substitute adopts the *House* provision.

B. The *House* bill expands the types of schools eligible to receive the reserved funds to include not only "no-program" and "cold meal" schools but also schools without the facilities to *prepare and cook hot meals or to receive hot meals.*

The *Senate* amendment expands the types of schools eligible to receive the reserved funds to include not only "no-program" and "cold meal" schools but also schools without the facilities to *prepare and cook hot meals.* "Schools without the facilities to prepare and cook hot meals" is defined as schools without the facilities both to prepare and cook hot meals at the school or at a kitchen operated by the local school district that serves the school.

The *Conference* substitute adopts the *House* provision.

C. The *House* bill provides that unused funds are first to be reapportioned among schools for use in assisting schools without a food service or the facilities to *prepare and cook hot meals or receive hot meals* and may then be used to assist schools with food service programs and the facilities to *prepare and cook hot meals or receive hot meals.*

The *Senate* amendment provides that unused funds are to be reapportioned among schools without a food service or the facilities to *prepare and cook hot meals.* Any further remaining unused funds are to be reapportioned to schools with a food service program and to schools with the facilities to *prepare and cook hot meals.*

The *Conference* substitute adopts the *House* provision.

(3) Use of funds

The *House* bill specifies that food service equipment assistance funds may be used only for facilities that enable schools to prepare and cook hot meals or receive hot meals or at public and private nonprofit institutions that, under an agreement, act in lieu of a school in cooking and preparing school meals for children from a participating school unless the school can demonstrate to the State's satisfaction that an alternative method of meal preparation is necessary for the introduction or continuation of the school lunch or breakfast program or to improve the consumption of food or the participation of eligible children in the program. In order to be able to use funds for equipment in public and private nonprofit institutions, the institutions must be under an agreement with that school and the school is required to retain the legal title to the equipment.

The *Senate* amendment specifies that food service equipment assistance funds may be used only for facilities to prepare and cook hot meals at the school or at a kitchen operated by the school district unless the school can demonstrate to the State's satisfaction that an alternative method of meal preparation is necessary for the introduc-

tion or continuation of the school lunch or breakfast programs.

The *Conference* substitute adopts the *House* provided with (1) an amendment clarifying that the provision applies only to funds authorized for this section, and (2) an amendment clarifying the situation in States in which the Secretary directly operates the program for the benefit of private school children. In adopting this language, it is the purpose of the *Conferees* to emphasize that it only creates a priority category for the use of these funds for onsite preparation of school lunch or breakfast programs or to enable schools to receive hot meals. Many schools, particularly in urban areas, have no practicable alternative to using other methods of food preparation. The Department, in allocating food service equipment funds, should not discriminate against those school lunch or breakfast programs that have demonstrated quality and use methods such as preplated frozen meals heated and served on the school site. In approving equipment funds for such alternative methods, the Department should ensure that only meals that are of necessary quality to be not only nutritious—but appetizing and attractive to students—would be acceptable.

(4) Transfer of equipment

The *House* bill deletes the provision in current law allowing nonprofit private schools to transfer no-longer-used equipment to another school participating in the school lunch or breakfast programs or to have the residual value of the equipment revert to the United States.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

COMMODITY DISTRIBUTION PROGRAM (SEC. 5)

The *Senate* amendment requires the Secretary of Agriculture to make an estimate by May 15 of each school year of the value of agricultural commodities and other foods that that will be delivered during the school year to States for the school lunch program. If the value estimated by the Secretary is less than 100 percent of the value of the commodities programed for delivery in that school year, the Secretary is to pay educational agencies by June 15 an amount that is equal to the difference between the value of the deliveries programed and the total level of assistance authorized under section 6(e) of the National School Lunch Act.

The *House* bill contains no comparable provision and, therefore, continues existing law which requires the Secretary to make an estimate by February 15 of each fiscal year of the value of commodities that will be delivered during the fiscal year to the States for the school food service programs. If the value is less than 90 percent of the value of the commodities programed for delivery in that fiscal year, the Secretary must pay the educational agencies by March 15 the amount of funds that is equal to the difference between the value of deliveries programed and the total level of assistance authorized under section 6(e) of the National School Lunch Act. The *House* bill retains the requirement in current law that the share of such funds to be paid to each State educational agency must bear the same ratio to the total of such payments to all agencies as the number of meals served under the school lunch and school breakfast program during the preceding fiscal year bears to the total of all such meals in all the States during that fiscal year.

The *Conference* substitute adopts the *Senate* provision.

PURCHASE OF FOODS FOR THE COMMODITY DISTRIBUTION PROGRAM (SEC. 6)

(1) Commodity purchases for elderly feeding program

The *Senate* amendment authorizes the use of funds appropriated from the general fund of the Treasury to purchase foods of the types customarily purchased for donation to the elderly under the Older Americans Act of 1965.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision with a conforming amendment made necessary by the recent amendments to the Older Americans Act offering the option of cash in lieu of commodities.

(2) Report of local agency views

The *House* bill requires the Secretary of Agriculture to establish procedures that will ensure that States fully and accurately report the views of schools within each State with respect to the type of food assistance needed and to consider such views in the purchase and distribution of commodities to the States for allocation to schools under the National School Lunch Act.

The *Senate* amendment contains the same provisions as the *House* bill but requires the views of local educational agencies rather than schools and extends these requirements to purchases and distributions under the National School Lunch Act and the Child Nutrition Act.

The *Conference* substitute adopts the *Senate* provision with an amendment ensuring that the views of nonprofit private schools would also be required.

(3) Technical assistance

The *House* bill requires the Secretary to make available technical assistance on the use of commodities distributed under section 4 of the National School Lunch Act.

The *Senate* amendment contains the same provisions as the *House* bill but includes commodities distributed under the commodity distribution programs.

The *Conference* substitute adopts the *House* provision making it specifically applicable to commodities distributed under the National School Lunch Act and the Child Nutrition Act of 1966.

(4) Advisory council

The *House* bill requires each State to establish an advisory council composed of local school representatives to advise the State as to the needs of the local school relating to the selection and distribution of federally donated commodities.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

REFUSAL OF COMMODITIES (SEC. 7)

The *House* bill permits any school to refuse to accept up to 20 percent of the agricultural commodities and other foods offered to it in any year and to receive other commodities in their place to the extent that other commodities are available to the State.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

ACCEPTANCE OF OFFERED FOODS (SEC. 8)

The *House* bill amends section 9(a) of the National School Lunch Act to authorize local school authorities upon their option to permit junior high and middle school students to refuse foods that are offered to them in federally supported school lunch programs.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision. The *Conferees* encourage the Secretary of Agriculture to make use of funds available under existing authorities to produce informative and entertaining public service messages for television that will educate children in proper nutrition.

SPECIAL ASSISTANCE (SEC. 9)

The *House* bill amends the special assistance provisions of the National School Lunch Act (section 11) in the following two ways:

1. In any school in which at least 80 percent of the children are eligible for free or reduced price lunches, special assistance payments for these lunches can be made for either one or two fiscal years based on the number of children determined eligible for such lunches during the first year and the number of such lunches served during that year to other children determined for that year to be eligible for such lunches, if the school requests the payments; and

2. In any school that elects to serve children free lunches for three years and pays for the lunches for non-needy children from sources other than Federal funds, special assistance payments for free and reduced price meals are to be made to that school for a period of three years based upon its number of children determined eligible for free and reduced price meals during the first year.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts part 2 of the *House* provision and part 1 of the *House* provision with an amendment limiting to one additional year the payments of schools with very high concentrations of children eligible for free or reduced price meals.

PILOT PROJECTS: STUDY OF CASH PAYMENTS IN LIEU OF COMMODITIES (SEC. 10)

A. The *House* bill requires the Secretary of Agriculture to conduct pilot projects with respect to local school districts, or other appropriate units, or groups of program participants to determine more efficient, healthful, economical, and reliable methods of operating the school lunch, school breakfast, and summer feeding programs. The pilot projects will include: providing all or part cash payments in lieu of commodities, streamlining or reducing local school district reporting requirements, and of use the Extension Service to aid in nutritional training and education in schools and other institutions. An assessment of these pilot projects will be reported to Congress within 18 months of the date of enactment. The Secretary is authorized to fund these projects from the maximum of one percent of school food service programs appropriations provided for under section 6(a)(3) of the National School Lunch Act.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision but limits the number of cash in lieu of commodities pilot projects to no more than ten. The *Conferees* expect the Department to choose an appropriate mix of localities to participate in these pilot projects. This mix should include both urban and suburban and both large and small school districts.

B. The *Senate* amendment requires the Secretary to conduct a study of the effect of making cash payments in lieu of delivery of commodities. The study will be limited to a comparison of the situation in one of the States that receives donated foods with the State of Kansas that receives cash. The Secretary must report his findings to Congress within 18 months of the date of enactment of the bill.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

SPECIAL MILK PROGRAM (SEC. 11)

The *Senate* amendment provides that children eligible for free lunches under the school lunch program, are also eligible for free milk, when milk is provided at times other than the period of meal service in outlets that operate a school lunch, breakfast or child care food program. If schools and institutions participating in these programs choose not to serve additional milk at times other than meal service, needy children will

receive no free milk other than as a component of USDA-subsidized meals.

The *House* bill contains no comparable provision and continues existing law under which children eligible for free lunches may receive free milk.

The *Conference* substitute adopts the *Senate* provision.

SCHOOL BREAKFAST PROGRAM MAXIMUM REIMBURSEMENT (SEC. 12)

The *House* bill increases the maximum reimbursement for free or reduced price breakfasts in especially needy schools to 10 cents above the national average payment for each free breakfast and to 5 cents less than the maximum payment for each free breakfast for each reduced price breakfast.

The *Senate* amendment indexes the maximum reimbursement for free breakfasts in specially needy schools (which is now 45 cents) for each free breakfast and provides that there be a 5-cent differential between the maximum reimbursement for reduced price breakfasts and free breakfasts in these schools. The maximum reimbursement rate for especially needy schools is to be adjusted semiannually according to changes in the series for food away from home of the Consumer Price Index published by the Department of Labor's Bureau of Labor Statistics.

The *Conference* substitute requires the Secretary of Agriculture to make calculations each year under both the formula contained in the *House* provision and the formula contained in the *Senate* provision, and to make payments on the basis of the resulting higher figure.

REDUCTION OF PAPERWORK (SEC. 13)

The *House* bill directs the Secretary of Agriculture to reduce, to the maximum extent possible, the paperwork required of State and local educational agencies, schools, and other agencies participating in child nutrition programs under the National School Lunch Act and the Child Nutrition Act of 1966. The Secretary is required to report to Congress within one year after the date of enactment of the bill, on the extent to which such reduction has occurred.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision.

STATE ADMINISTRATIVE EXPENSES (SEC. 14)

(1) Apportionment of funds

The *House* bill provides that for fiscal year 1978, an amount not to exceed one percent of funds expended in fiscal year 1977 under sections 4, 11, and 17 of the National School Lunch Act and sections 3, 4, and 5 of the Child Nutrition Act of 1966 shall be allocated to States, in accordance with a formula determined by the Secretary of Agriculture, for State administrative expenses. The Secretary is required to conduct a study of administrative costs, and report the results of this study with recommendations for a formula to allocate administrative cost payments to Congress by March 1, 1978.

The *Senate* amendment provides a new apportionment formula for State administrative expense funds. For fiscal year 1978, an amount equal to one percent of the funds used in that State during the second preceding year under sections 4, 11, and 17 of the National School Lunch Act and sections 3, 4, and 5 of the Child Nutrition Act will be advanced. The same formula will be used in fiscal years 1979 and 1980, except that the percentage in those years is set at one and one-half percent. However, in States that used more than $100 million under sections 4, 11, and 17 of the National School Lunch Act and sections 3, 4, and 5 of the Child Nutrition Act, the percentage will be one and one-half percent of the first $100 million and one percent of the remaining program funds used. In addition, no State shall receive less than $75,000 nor less than the amount paid to it for administrative expenses for fiscal year 1977.

The *Conference* substitute adopts the *Senate* provision with an amendment setting the payments for fiscal years 1979 and 1980 to an amount not less than one percent and not more than one and one-half percent for each such year.

(2) Audits of child care institutions

The *House* bill provides for payments to States, from such amounts appropriated for fiscal year 1978, in a total amount not in excess of two percent of funds expended in fiscal year 1977 under section 17 of the National School Lunch Act, to be allocated and paid in accordance with a formula determined by the Secretary for purposes of conducting audits of participating child care institutions under that section.

The *Senate* amendment contains the same provision as the *House* bill but the two percent maximum would be based on the funds used by the State in the child care food program in the second preceding fiscal year.

The *Conference* substitute adopts the *Senate* provision.

(3) Nonprofit private schools or child care institutions

The *House* bill provides that when States administer food service programs in nonprofit private schools or child care institutions previously administered by the Secretary, an appropriate adjustment is to be made in the administrative expense funds paid to the State in the succeeding fiscal year.

The *Senate* amendment contains the same provision as the *House* bill but does not specify the year in which the adjustment is to be made.

The *Conference* substitute adopts the *House* provision with an amendment requiring the adjustment to be made not later than the succeeding fiscal year.

(4) Carryover funds

The *House* bill provides that unobligated or unexpended funds appropriated for State administrative expenses shall remain available to the State for obligation and expenditure in the succeeding fiscal year.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute adopts the *House* provision for fiscal year 1978. For fiscal years 1979 and 1980, the *Conference* substitute (1) requires the Secretary to establish a date for the submission of the State plans for the disbursement of administrative funds, and (2) authorizes the Secretary to reallocate any unused funds (as evidenced by the State plans) to such other States as the Secretary deems appropriate.

(5) Maintenance of effort

The *House* bill requires State educational agencies to contribute no less for running the child nutrition programs than they did in fiscal year 1977.

The *Senate* amendment requires State agencies to contribute no less for running the child nutrition programs (other than the WIC program and the summer feeding program) than they did in fiscal year 1977.

The *Conference* substitute adopts the *Senate* provision.

(6) State staffing standards

The *House* bill directs the Secretary to develop State staffing standards that will ensure sufficient staff for the planning and administration of the national school lunch program, school breakfast program, child care food program, special milk program, and the food service equipment assistance program.

The *Senate* amendment contains the same provision as the *House* bill but further requires that the staffing standards be developed in cooperation with the several States.

The *Conference* substitute adopts the *Senate* provision. However, the *Conferees* wish to emphasize that section 7(b) of the Child Nutrition Act of 1966, as amended by the bill, does not imply that the Secretary has the authority to require each State to hire a certain number of individuals, place them at specific levels within the State organization, nor mandate uniform national staffing standards that would be applied to each State. Unique administrative structures exist in each of the fifty States. The Secretary, recognizing these differences, should ensure that sufficient staff exists for the efficient and effective administration of the programs.

(7) Annual plan

The *Senate* amendment requires State agencies to submit to the Secretary, for approval by October 1 of each year, an annual plan for the use of State administrative expense funds. This plan must include a staff formula for State personnel, system level supervisory and operating personnel, and school level personnel.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

(8) Authorization for appropriations

The *House* bill authorizes the appropriation of necessary sums for State administrative expenses.

The *Senate* amendment authorizes the appropriation of necessary sums for State administrative expenses for fiscal years 1978 through 1980.

The *Conference* substitute adopts the *Senate* provision.

(9) Insufficient funding

The *House* bill provides that if insufficient funds are appropriated for State administrative expenses, the Secretary shall ratably reduce the amounts of administrative expense payments to the extent necessary so that the total amounts paid do not exceed the funds appropriated. If additional funds become available, these amounts will be increased on the same basis as they were reduced.

The *Senate* amendment contains no comparable provision.

The *Conference* substitute deletes the *House* provision.

NUTRITION EDUCATION AND TRAINING (SEC. 15)

The *Senate* amendment adds a new section 19 to the National School Lunch Act, entitled "Nutrition Education and Training".

The *House* bill contains no comparable provision.

Except as noted below, the *Conference* substitute adopts the *Senate* provision.

(1) Findings

New subsection (a) contains the finding of Congress respecting the importance of proper nutrition of the Nation's children and a proper understanding of the principles of good nutrition on the part of children, school food service personnel, and school teachers, and the recognition of the significant influence parents exert on their children's nutritional development habits.

(2) Purpose

New subsection (b) states that the purpose of section 19 is to encourage effective dissemination of scientifically valid information on nutrition through grants to State educational agencies for the development of nutrition information and education programs. School lunch and child nutrition programs are to be used as a learning laboratory.

(3) Definitions

New subsection (c) defines nutrition education as including instructing students with

regard to the nutritional value of foods and the relationship between food and human health, training school food service personnel in the principles and practices of food service management, instructing teachers in sound principles of nutrition education, and developing and using classroom materials and curricula.

(4) Nutrition information and training

A. New subsection (d)(1) authorizes the Secretary of Agriculture to formulate and carry out a nutrition information and education program through a system of grants to State educational agencies.

B. New subsection (d)(2) requires the coordination of the program at the State level with other nutrition activities conducted by education and health agencies. This subsection further instructs the Secretary and the States to solicit the advice and recommendations of the National Advisory Council on Child Nutrition; State educational agencies; the Department of Health, Education, and Welfare; representative members of the American School Food Service Association; the American Public Health Association; the American Home Economics Association; the Society for Nutrition Education; and other concerned groups and individuals.

The *Conference* substitute adopts the *Senate* provision but makes the requirement for solicitation of advice permissive rather than mandatory and deletes the references to the nongovernmental organizations.

C. New subsection (d)(3) permits the Secretary to make section 19 funds available to HEW nutrition education components of the State program without requiring an additional grant application.

D. New subsection (d)(4) directs the Secretary to make grants to State educational agencies. Such agencies may contract with land-grant colleges, other institutions of higher education, and nonprofit organizations for the training of teachers and school food service personnel with respect to the relationship between food, nutrition and health, education methods and techniques, current issues relating to nutrition education, and principles and skills of food service management.

E. New subsection (d)(5) allows the State to contract with State and local educational agencies, land-grant colleges, and other institutions for pilot demonstration projects in elementary and secondary schools with respect to nutritional education.

F. New subsection (d)(6) authorizes the Secretary to administer the provisions of this section in schools and institutions in States where the State educational agency is prohibited by law from doing so.

(5) Agreements with State agencies

New subsection (e) authorizes the Secretary to enter into agreements with State educational agencies for administration of the program and to issue necessary regulations.

(6) Use of funds

A. New subsection (f)(1) provides for the issuance of guidelines by the Secretary on the use of funds by the State for employing a nutrition education specialist to coordinate the program, including the use of funds, travel and related personnel costs; undertaking an assessment of the nutrition education needs of the State; developing a State plan of operation and management for nutrition education; applying for and carrying out planning and assessment grants; pilot projects; the planning, development, and conduct of nutrition education programs and workshops for food service and education personnel; coordinating and promoting nutrition information and educational activities in local school districts; contracting with public and private educational institutions for the conduct of nutrition education instruction and programs; and for related nutrition education purposes, including the preparation, testing, distribution, and evaluation of visual aids.

The *Conference* substitute adopts the *Senate* provision with an amendment making it clear that the private educational institutions with which State agencies may contract are to be nonprofit.

B. New subsection (f)(2) provides for the issuance of planning and assessment grants to any State for employing a coordinating specialist, assessing the nutrition education needs of the State, developing a State plan, and applying for and carrying out planning and assessment grants. This subsection also provides for advance payment of a portion of the grant with the remaining amount authorized on the basis of completion by the State of activities prescribed in subsection (f)(1).

C. New subsection (f)(3) authorizes the State to use up to 15 percent of its grant for administrative and supervisory purposes in connection with the program authorized by this section.

The *Conference* substitute adopts the *Senate* provision with an amendment providing that Federal funds for administration and supervisory expenditures shall be limited to no more than 50 percent of such expenditures.

D. New subsection (f)(4) states that nothing in section 19 will prohibit State or local agencies from making use of nutrition education materials, resources, and activities developed under this section for adult nutrition programs.

(7) Accounts, records, and reports

A. New subsection (g)(1) requires that States maintain accounts and records for not in excess of five years.

B. New subsection (g)(2) requires the States to submit reports on the operation of the program authorized by this section in such form and at such time as the Secretary prescribes.

(8) State coordinators for nutrition education; State plan

A. New subsection (h)(1) requires the States to appoint a nutrition education specialist to serve as State coordinator for State nutrition education as a precondition to receiving funds under this section.

B. New subsection (h)(2) requires the State coordinator, upon receipt of funds under this section, to prepare an itemized budget and assess the nutrition needs of the State. Such assessment shall identify State and local individual, group, and institutional resources within the State for materials, facilities, staffs, and methods related to nutrition education.

C. New subsection (h)(3) requires the State coordinators to develop, prepare and furnish to the Secretary, for approval, a comprehensive plan for nutrition education within nine months after the award of the planning assessment grant. The Secretary is required to act on the plan within 60 days after receipt of the plan. This subsection further requires that the plan include the findings of the nutrition education needs assessment within the State; provisions for coordinating the nutrition education program with other publicly supported programs within the State; plans for soliciting the advice and recommendations of various concerned organizations; plans for reaching all students in the State with instruction in nutrition and for training food service personnel in principles and skills of food service management and for instructing teachers in sound principles of nutrition education; and plans for using land-grant colleges (including the Tuskegee Institute) on a priority basis. To the maximum extent possible, the State's performance under such plan shall be reviewed and evaluated by the Secretary on a regular basis, including public hearings.

The *Conference* substitute adopts the *Senate* provision with an amendment deleting references to all nongovernmental organizations.

(9) Resources Center

A. New subsection (i)(1) provides for the establishment within the National Agricultural Library of the United States Department of Agriculture, of a Food and Nutrition Information and Education Resources Center to assemble and maintain food nutrition education materials and provide training for the State coordinators and other personnel needing special training relating to nutrition education.

The *Conference* substitute deletes the *Senate* provision.

B. New subsection (i)(2) provides that the Secretary may establish other resources centers, for the same purpose as the center established under subsection (i)(1), at land-grant colleges, institutions of higher education, and other public or private nonprofit educational or research institutions.

The *Conference* substitute deletes the *Senate* provision.

C. New subsection (i)(3) authorizes the use of $1,500,000 of the funds appropriated for this section for funding the food and nutrition information centers.

The *Conference* substitute deletes the *Senate* provision. The Conferees note that section 1411(b) of the Food and Agriculture Act of 1977 (Pub. Law 95–113) establishes a resources center substantially similar to that proposed in the *Senate* provision. The *Conferees* intend that the resources center established under Public Law 95–113 may provide training for the State coordinator and for interdisciplinary personnel designated by the State coordinator who may need special training in nutrition education.

The *Conferees* intend that the Secretary, under existing authorities, may establish other resources centers, for the same purposes as the resources center established under the Food and Agriculture Act of 1977, at land-grant colleges, institutions of higher learning, and other public and private nonprofit educational or research institutions.

(10) Appropriations authorized

New subsection (j) provides that grants to the States for fiscal years 1978 through 1982 shall be based on a rate of 50 cents for each child enrolled in schools or institutions in the State. Enrollment figures will be the latest available from the Department of Health, Education, and Welfare. No State shall receive less than $75,000 per year.

The *Conference* substitute adopts the *Senate* provision with an amendment limiting the grants to three fiscal years and making the grants for the third fiscal year (fiscal year 1980) subject to an authorization of appropriations. In adopting the new section 19, entitled "Nutrition Education and Training", the *Conferees* wish to emphasize that the program is to benefit the teachers, students, and school food service personnel of both the public and nonprofit private elementary and secondary schools.

Consequently, under section 19(h)(3)(D), it is required that the State plan for the program shall describe plans for reaching *"all students in the State"*, which would include children in both public and nonprofit private schools. Furthermore, if a State is prohibited by law from administering the program in nonprofit private schools, section 19(d)(6) authorizes the Secretary to administer the program directly for these schools.

NATIONAL ADVISORY COUNCIL ON CHILD NUTRITION (SEC. 16)

The *Senate* amendment amends section 15 of the National School Lunch Act to add four additional members to the National Advisory Council on Child Nutrition.

This amendment will broaden the representation on the Council by including two parents of children in schools participating in the National School Lunch Program and two senior high school students participating in the program.

This section also changes the term of appointment from three to two years to accelerate the rotation of members, requires that participation by parents and students be balanced between urban and rural representation, and allows for compensation of parents for personal expenses such as the loss of wages or child care expenses incurred during the performance of duties on the Council.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

REGULATIONS ON SALE OF COMPETITIVE FOODS (SEC. 17)

The *Senate* amendment amends section 10 of the Child Nutrition Act of 1966 by deleting the sentence which restricts the authority of the Secretary to regulate foods served at the same time and place as the National School Lunch Program is operated. (As noted in the Senate report on the provision, the amendment ". . . would permit the sale of nutritious foods, such as fruits, vegetables, dairy products, pure fruit and vegetable juices, and other items determined to be nutritious." (S. Rept. No. 95–277, 95th Cong., 1st Sess. 17 (1977.))

The *House* bill contains no comparable provision.

The *Conference* substitute amends existing law by requiring the Secretary to approve competitive foods that may be offered.

The intent of the language in the *Conference* substitute is expressed in a letter to Congressman Carl D. Perkins, Chairman of the committee of conference, from Ms. Carol Tucker Foreman, Assistant Secretary of Agriculture for Food and Consumer Services, as follows:

"We are aware of the opposition to this provision but believe much of the opposition is based on ungrounded fears and misunderstanding of our intentions. It is decidedly not our intention to ban large numbers of competitive food items or to do anything aimed at giving the regular school lunch program a monopoly in the cafeterias. It is decidedly not our intention to prohibit the sale of all foods from vending machines. We are aware that many nutritious food items—such as fruits, soups, sandwiches, nuts, ice cream, and other items—are sold as competitive foods, and sometimes from vending machines. We have no intention in taking action to stop the sale of such items. We would consider regulating only those foods that do not make a positive nutritional contribution in terms of their overall impact on children's diets and dietary habits."

NATIONAL ADVISORY COUNCIL ON THE SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (SEC. 18)

The *Senate* amendment amends subsection 17(h)(8) of the Child Nutrition Act of 1966 to allow the Secretary of Agriculture to reimburse parent recipients appointed to the National Advisory Council on the Special Supplemental Food program for Women, Infants, and Children for personal expenses, including child care costs and lost wages, incurred during scheduled Council meetings.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

TECHNICAL AMENDMENTS (SECS. 19 AND 20)

The *Senate* amendment contains a technical amendment reflecting the change from July 1 to October 1 in the beginning of the Federal fiscal year. The amendment also moves to a school year basis certain provisions regarding State matching requirements and food service equipment assistance. Finally, the amendment would authorize the Secretary of Agriculture to establish the date the State plan of operations for the Special Supplemental Food Program is required to be submitted.

The *House* bill contains no comparable provision.

The *Conference* substitute adopts the *Senate* provision.

INSTITUTE OF FOOD MANAGEMENT AND TECHNOLOGY

The *Senate* amendment authorizes the establishment of an Institute of Food Management and Technology to further the purposes of the National School Lunch Act and the Child Nutrition Act of 1966.

The *House* bill contains no comparable provision.

The *Conference* substitute deletes the *Senate* provision.

CARL D. PERKINS,
WILLIAM D. FORD,
IKE ANDREWS,
MIKE BLOUIN,
PAUL SIMON,
LEO C. ZEFERETTI,
RON MOTTL,
AUSTIN J. MURPHY,
JOSEPH A. LE FANTE,
TED WEISS,
CEC HEFTEL,
BALTASAR CORRADA,
DALE E. KILDEE,
GEO. MILLER,
ALBERT H. QUIE,
JOHN BUCHANAN,
LARRY PRESSLER,
BILL GOODLING,
SHIRLEY N. PETTIS,
CARL PURSELL,
Managers on the Part of the House.
HERMAN E. TALMADGE,
GEORGE MCGOVERN,
HUBERT HUMPHREY,
DICK CLARK,
PATRICK J. LEAHY,
ROBERT DOLE,
HENRY BELLMON,
JESSE HELMS,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. PEPPER (at the request of Mr. WRIGHT), for today on account of illness in the family.

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. GARY A. MYERS) to revise and extend their remarks, and to include extraneous matter to:)

Mr. RAILSBACK, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

(The following Members (at the request of Mr. WALGREN) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ROUSSELOT, to revise and extend his remarks immediately prior to the last vote.

Mr. HORTON, to include during debate on House Resolution 688 two letters from Acting Director McIntyre, dated September 28, 1977.

Mr. DORNAN, to revise and extend his remarks and include extraneous matter in the front part of the RECORD for today.

Mr. ST GERMAIN, to revise and extend his remarks and include extraneous matter during debate on H.R. 2176, Federal Banking Agency Audit Act.

Mr. STRATTON, to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. GARY A. MYERS) and to include extraneous matter:)

Mr. WHALEN.
Mr. MCCLOSKEY.
Mr. RINALDO.
Mr. STEERS.
Mr. SHUSTER.
Mr. RUDD.
Mr. KASTEN.
Mr. HORTON.
Mr. COLEMAN.
Mr. RUPPE.

(The following Members (at the request of Mr. WALGREN) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. DODD in two instances.
Mr. MAZZOLI.
Mr. COTTER.
Ms. OAKAR in two instances.
Mr. MCDONALD in three instances.
Mr. EDGAR.
Miss JORDAN.
Mr. EDWARDS of California.
Mr. BONIOR.
Mrs. SCHROEDER.
Mr. HAMILTON.
Mr. THOMPSON.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled Joint Resolution of the Senate of the following title:

S.J. Res. 89. Joint resolution to amend the act entitled "To authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (enrolled bill H.R. 6550, 95th Congress, 1st session).

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. 6415. An act to extend and amend the Export-Import Bank Act of 1945.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on October 13, 1977 present to the President, for his approval,

bills and a joint resolution of the House of the following title:

H.R. 3. To strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the medicare and medicaid programs, and for other purposes;

H.R. 1613. For the relief of certain postmasters charged with postal deficiencies; and

H.J. Res. 626. Making continuing appropriations for the fiscal year 1978, and for other purposes.

ADJOURNMENT

Mr. WALGREN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 15 minutes p.m.), under its previous order, the House adjourned until Monday, October 17, 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:

2552. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassadors-designate Theodore M. Hesburgh and John E. Downs, and by members of their families, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2553. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Robert E. White, Ambassador-designate to Paraguay, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

2554. A letter from the Secretary of Transportation, transmitting a report on the effects of the regulatory reform provisions of the Railroad Revitalization and Regulatory Reform Act of 1976, pursuant to section 202(g) of the act (Public Law 94–210); to the Committee on Interstate and Foreign Commerce.

2555. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Arlington, Va., Federal Building 2, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

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. PERKINS: Committee of conference. Conference report on H.R. 1139 (Rept. No. 95–708). Ordered to be printed.

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. CORCORAN of Illinois:

H.R. 9570. A bill to amend the National Trails System Act to require the Secretary of the Interior to determine the feasibility and desirability of designating the Illinois Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. FAUNTROY (for himself and Mr. DIGGS):

H.R. 9571. A bill to assist in reducing crime and the danger of recidivism in the District of Columbia by requiring speedy trials in criminal cases in the District of Columbia courts, and for other purposes; to the Committee on the District of Columbia.

By Mr. KASTEN (for himself, Mr. ABDNOR, Mr. COUGHLIN, Mr. EDWARDS of Oklahoma, Mr. FRENZEL, Mr. HARRINGTON, Mr. HORTON, Mr. HYDE, Mr. JEFFORDS, Mr. LAGOMARSINO, Mr. LIVINGSTON, Mr. MCCLORY, Mr. MCEWEN, Mr. NOLAN, Mr. RAHALL, Mr. ROE, Mr. ROYBAL, Mr. SANTINI, and Mr. YATRON):

H.R. 9572. A bill to amend the National Housing Act to provide for the insurance of graduated payment mortgages, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MCHUGH (for himself, Mr. BROWN of California, Mr. ADDABBO, Mr. JENRETTE, Mr. BRODHEAD, Mr. MITCHELL of Maryland, Mr. REUSS, Mr. LEHMAN, Mr. FRASER, Mr. BONIOR, Mr. HOLLENBECK, Mr. PURSELL, Mr. NEDZI, Mr. KASTENMEIER, Mr. PERKINS, Mr. NOWAK, Mr. EILBERG, Mr. STEERS, Mr. PEASE, Mr. HARRINGTON, Mr. GEPHARDT, Mr. PRITCHARD, Mr. TSONGAS, Mr. SEIBERLING, and Mr. COTTER):

H.R. 9573. A bill to provide for adequate supplies of food in cases of emergency, and to reaffirm commitments made by representatives of the United States of America at the 1974 World Food Conference to participate in a system of nationally held and internationally coordinated food reserves; jointly, to the Committees on Agriculture, and International Relations.

By Mr. MOTTL:

H.R. 9574. A bill to amend the Elementary and Secondary Education Act of 1965 to provide assistance for the establishment of basic standards of educational proficiency applicable to public school students; to the Committee on Education and Labor.

By Mr. MOTTL (for himself, Mr. WALSH, Mr. BEARD of Rhode Island, Mr. STANTON, Mr. WALGREN, Mr. EDGAR, and Mr. HARRINGTON):

H.R. 9575. A bill to grant priority in payment from the estate of a bankrupt railroad to tax claims of local school districts, other units of local government, and States; jointly, to the Committees on the Judiciary, and Interstate and Foreign Commerce.

By Mr. RICHMOND (for himself, Mr. BEDELL, Mr. BOWEN, Mr. CAPUTO, Mr. COTTER, Mr. DODD, Mr. FISH, Mr. FORD of Michigan, Mr. DE LA GARZA, Mr. HEFNER, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. LEDERER, Mr. LEHMAN, Mr. LONG of Louisiana, Mr. MATHIS, Mr. PREYER, Mr. QUIE, Mr. RAHALL, Mr. RINALDO, Mr. ROSE, Mr. SOLARZ, Mrs. SPELLMAN, Mr. YOUNG of Alaska, and Mr. WHITLEY):

H.R. 9576. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 9577. A bill to amend sections 3303a and 1503 of title 44, United States Code, to require mandatory application of the General Records Schedules to all Federal agencies and to resolve conflicts between authorizations for disposal and to provide for the disposal of Federal Register documents; to the Committee on House Administration.

By Mr. RUPPE:

H.R. 9578. A bill to amend the Merchant Marine Act, 1936, to promote the series construction of U.S.-flag merchant vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. WAGGONNER:

H.R. 9579. A bill to amend section 1021 of the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H. Con. Res. 379. Concurrent resolution urging the adoption by the United States and by the Organization of Economic Cooperation and Development of the standards of business conduct for companies operating in South Africa, adopted earlier this year by the European Economic Community, which include recognition of the right of black employees to form or to affiliate themselves with trade unions and to bargain collectively with their employers; to the Committee on International Relations.

By Mr. CORRADA (for himself, Mr. BADILLO, Mr. HANNAFORD, Mr. DAVIS, Mr. EMERY, Mr. BOB WILSON, Mr. EDWARDS of Oklahoma, and Mr. STEERS):

H. Con. Res. 380. Concurrent resolution expressing the sense of Congress that the value of military exchange and commissary privileges should not be considered by any Federal agency in determining the entitlement of any retired or former member of the Armed Forces to any other Federal benefit or in determining the amount of any other Federal benefit; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE:

H. Res. 832. Resolution disapproving the deferral of certain budget authority (D78–30) relating to the Energy Research and Development Administration, gas cooled thermal reactor program, which is proposed by the President in his message of October 3, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 833. Resolution disapproving the deferral of certain budget authority (D78–33) relating to the Energy Research and Development Administration, magnetic fusion energy program, Fusion Material Test Facility, which is proposed by the President in his message of October 3, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 834. Resolution disapproving the deferral of certain budget authority (D78–34) relating to the Energy Research and Development Administration, magnetic fusion energy program, Intense Neutron Source Facility, which is proposed by the President in his message of October 3, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

H. Res. 835. Resolution disapproving the deferral of certain budget authority (D78–35) relating to the Energy Research and Development Administration, high energy physics program, intersecting storage ring accelerator, which is proposed by the President in his message of October 3, 1977, transmitted under section 1013 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDUS:

H.R. 9580. A bill for the relief of Sudhir Birkner; to the Committee on the Judiciary.

By Mrs. HECKLER:

H.R. 9581. A bill for the relief of Melba Robateau; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 9582. A bill for the relief of Claudine E. Abbott; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

293. The SPEAKER presented a petition of Assemblyman Alister McAlister, Sacramento, Calif., relative to designating the week of April 24, 1978, as National Forgotten Victims Week; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1614

By Mr. LAGOMARSINO:

Page 277, immediately after line 18, insert the following new section:

RECOMMENDATIONS FOR TRAINING PROGRAM

SEC. 508. Not later than 90 days after the date of enactment of this Act, the Secretary of the Interior, in consultation with the Secretary of the Department in which the Coast Guard is operating, shall prepare and submit to the Congress a report which sets forth the recommendations of the Secretary for a program to assure that any individual—

(1) who is employed on any artificial island, installation, or other device located on the Outer Continental Shelf; and

(2) who, as part of such employment, operates, or supervises the operation of pollution-prevention equipment,

is properly trained to operate, or supervise the operation of, such equipment, as the case may be.

Page 277, line 20, strike out "SEC. 508." and insert in lieu thereof "SEC. 509.".

Page 129, in the table of contents for title V, strike out "Sec. 508. Relationship to existing law." and insert in lieu thereof the following:

"Sec. 508. Recommendations for training program.".

"Sec. 509. Relationship to existing law.".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of October 4, 1977 (page H10591).

H.R. 5951. April 4, 1977. Banking, Finance and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings into community centers, senior citizen centers and specified educational, medical or social service centers.

Directs the Secretary to serve as a national clearinghouse to local agencies by providing information on possible alternative uses for closed school buildings.

H.R. 5952. April 4, 1977. Interstate and Foreign Commerce. Prohibits the shipment in interstate or foreign commerce of any fur or leather, raw or in finished form, from animals trapped in any State or foreign country which has not banned the manufacture, sale, or use of leg-hold or steel jaw traps.

Directs the Secretary of Commerce to publish a list of such States and foreign countries.

H.R. 5953. April 4, 1977. Ways and Means. Amends Title XX (Grants to States for Services) of the Social Security Act to eliminate the prohibitions against payments to States for expenditures which (1) are in the form of goods or services provided in kind by a private entity, or (2) are made from donated private funds and have restrictions imposed by a donor who is a sponsor or operator of a program to provide services with respect to which the funds are to be used.

H.R. 5954. April 4, 1977. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to deem a food additive safe if the Secretary of Health, Education, and Welfare (1) makes a finding that the public benefit from permitting the use of such additive would exceed the public risk resulting from such use; (2) gives notice in the Federal Register of such a finding and opportunity for public comment; and (3) issues a final order not earlier than 120 days from such publication.

Specifies factors that must be taken into consideration when evaluating a food additive.

Deems saccharin a safe food additive unless the Secretary declares it unsafe under the provisions of this Act.

H.R. 5955. April 4, 1977. Public Works and Transportation. Amends the Federal Water Pollution Control Act to revise the scope of Federal permit authority with respect to discharges of dredged or fill material in navigable waters. Requires permits for such discharges into wetlands adjacent to navigable waters.

Exempts farming, ranching, construction, and related activities from such permit requirements.

H.R. 5956. April 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude from gross income amounts received under tuition-remission programs at institutions of higher education.

H.R. 5957. April 4, 1977. Interstate and Foreign Commerce. Provides protection for certain sales representatives terminated from their accounts without justification by requiring the principals to indemnify the sales representatives.

H.R. 5958. April 4, 1977. Post Office and Civil Service; Judiciary. Requires Federal employees, grade GS–13 and above, who have been employed by the Government for less than three years to file an annual statement describing present and former positions and recent or pending agency actions over which such employee has any influence and in which such employee's former employer has an interest. Requires persons who have terminated their Federal employment at a grade of GS–13 or higher during the past three years to file a statement with regard to actions in which such person's present employer was interested.

H.R. 5959. April 4, 1977. Banking, Finance and Urban Affairs. Amends the Renegotiation Act of 1951 to limit the terms of members of the Renegotiation Board to five years, set rates of compensation for such members, and to declare the Chairman of the Board its chief executive officer and confer upon him the duty to direct the executive functions of the Board.

Increases the minimum money value of contracts and subcontracts to which the Act is applicable. Sets other requirements with respect to exemptions under the Act and audits of reports submitted pursuant to the Act.

H.R. 5960. April 4, 1977. Education and Labor. Prohibits the sexual exploitation of children by making it unlawful for any individual to (1) cause or permit a child to be photographed or filmed engaged in a sexual act prohibited under this Act: (2) photograph or film a prohibited sexual act; (3) knowingly transport a film or photograph depicting a prohibited sexual act; or (4) receive for sale or sell any such film or photograph, if such individual knows or should know such film or photograph has or may be transported in such a manner as to affect interstate or foreign commerce.

H.R. 5961. April 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the expenses paid for the higher education of the taxpayer, or a dependent, not exceeding $1,500 for each student.

H.R. 5962. April 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase to $7,500 the amount of outside earnings which is permitted an individual each year without any deduction from benefits under such Title.

H.R. 5963. April 4, 1977. Ways and Means. Amends the Internal Revenue Code with respect to the rate of tax imposed on tax preferences and the amount of tax preferences exempt from such tax.

H.R. 5964. April 4, 1977. Judiciary. Amends provisions of Federal law setting forth penalties for interstate or foreign commerce in stolen cattle to include stolen swine, sheep, fowl, insects, horses, mules, or carcasses thereof.

H.R. 5965. April 4, 1977. Education and Labor. Amends the Higher Education Act of 1965 to allow second, third, and fourth year undergraduate students to have certain loans insured in excess of 50 percent (up to $2,500) of their estimated cost of attendance.

H.R. 5966. April 4, 1977. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to prohibit cost-of-living pay adjustments for Members of Congress from taking effect unless specifically approved by resolution by both Houses of Congress.

Amends the Federal Salary Act of 1967 to make the recommendations of the President with respect to the rates of pay for Members of Congress effective only upon a resolution by Congress approving such recommendations.

H.R. 5967. April 4, 1977. Ways and Means. Amends Title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act to provide for the continuation of benefit entitlement through the month of death (or through the month of the insured's death in the case of a dependent), unless the continuation of entitlement (and the consequent delay in survivor entitlement) would result in a reduction in the total benefits to which all persons are entitled for such month on the basis of the insured's wages and self-employment income.

H.R. 5968. April 4, 1977. Interior and Insular Affairs. Redesignates the Boundary Waters Canoe Area in Superior National Forest, Minnesota, as the Boundary Waters Wilderness Area. Establishes the Boundary Waters National Recreation Area, Minnesota.

H.R. 5969. April 4, 1977. Judiciary. Allows nationals of Chile who are being persecuted in Chile or are in danger of being persecuted if returned to Chile, and the spouses, children or parents of such nationals, to be granted admission into the United States and the status of permanent residents if specified requirements are met.

H.R. 5970. April 4, 1977. Armed Services. Authorizes appropriations for fiscal year 1978 for weapons procurement and research and development by the armed forces. Establishes the authorized strength levels for each of the military departments and the level for civilian personnel positions within the Department of Defense. Sets forth the authorized military training load for each of the armed forces. Establishes an education assistance program for members of the reserve forces and establishes reenlistment bonuses for such reserve service.

Authorizes appropriations for the programs of the Defense Civil Preparedness Agency. Sets forth limitations regarding Department of Defense human experimentation.

H.R. 5971. April 4, 1977. Public Works and

Transportation. Authorizes the Secretary of the Army, acting through the Chief of Engineers, to construct a replacement lock and dam on the Mississippi River. Withdraws all authority with respect to channel construction and modification on the Upper Mississippi River.

Directs the Upper Mississippi River Basin Commission to prepare a master plan for the management of the Upper Mississippi River.

H.R. 5972. April 4, 1977. Ways and Means. Amends the Internal Revenue Code to extend the time for a small business corporation to elect subchapter S status from the first month to the 15th day of the third month of the taxable year, and to any time during the preceding taxable year.

H.R. 5973. April 4, 1977. Judiciary. Amends the Immigration and Nationality Act to subject an alien who has become a public charge, within five years after entry, to deportation regardless of the legal liability of such alien to repay the public support received.

Requires that aliens who receive specified types of public assistance be investigated by the Attorney General to determine whether or not such aliens are deportable as public charges.

H.R. 5974. April 4, 1977. Ways and Means. Amends Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to make benefits under such Title payable to a resident alien only if such alien has continuously resided in the United States for at least five years.

H.R. 5975. April 4, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire lands and interests in lands in specified areas of Nebraska and to establish the Trails West National Historical Park in Nebraska and Wyoming once sufficient lands have been acquired.

H.R. 5976. April 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 5977. April 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to allow medical facilities to be reimbursed by the Federal Government for emergency medical treatment given aliens unlawfully in the United States if such aliens are unable to pay the cost of such treatment or can pay only a part of the cost and the aliens or medical facilities which provided such treatment are not eligible under any public assistance program for payment of or reimbursement of such cost.

H.R. 5978. April 4, 1977. Interstate and Foreign Commerce. Reaffirms the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce. Reaffirms the authority of the States to regulate terminal and station equipment used for telephone exchange service. Requires the Federal Communications Commission to make specified findings in connection with Commission actions authorizing specialized carriers.

H.R. 5979. April 4, 1977. Post Office and Civil Service. Reinstates civil service retirement survivors annuities for surviving spouses of employees whose annuities were terminated due to remarriage before July 18, 1966, and surviving spouses of Members of Congress who died before January 8, 1971, whose annuities were terminated due to remarriage.

H.R. 5980. April 4, 1977. Public Works and Transportation. Authorize the Administrator of General Services to provide space in the Old Post Office Building in the District of Columbia to persons designated by the National Endowment for the Arts as being engaged in artistic or cultural enterprises at rentals approximating commercial charges for other Federal buildings space.

H.R. 5981. April 4, 1977. House Administration. Amends the American Folklife Preservation Act to authorize appropriations for fiscal years 1979, 1980, and 1981.

H.R. 5982. April 4, 1977. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to specify when an adjustment in the rate of pay for Members of Congress proposed during any Congress shall take effect.

H.R. 5983. April 4, 1977. Banking, Finance and Urban Affairs; Judiciary. Prohibits any United States entity or representative from obtaining copies of, or access to, information contained in the financial records, toll records, or credit records of any customer of a financial institution, communication common carrier, credit card issuer, or consumer reporting agency. Lifts such prohibition if: (1) the records are described with sufficient particularity; and (2) the customer has authorized disclosure, the disclosure is obtained in response to an administrative subpoena, search warrant, or judicial subpoena, or disclosure is in compliance with specified provisions of the Fair Credit Reporting Act. Restricts the use of mail covers and the interception of wire and oral communications for purposes of supervisory observing by communication common carriers and others.

H.R. 5984. April 4, 1977. Rules. Amends the Legislative Reorganization Act of 1970 to require that each committee report accompanying a public bill or resolution contain a paperwork impact statement estimating the number of reports which would be required of private business enterprises, the complexity of the forms which would be required, and the cost and time which would be required in making and keeping such reports.

H.R. 5985. April 4, 1977. Judiciary. Entitles, absent certain findings persons to be investigated and indicted by a Federal grand jury to notice and a right to appear.

Grants certain rights, including the right to counsel, to Federal grand jury witnesses.

Revises procedures for, and sets forth defense relative to, finding recalcitrant grand jury witnesses in comtempt.

Entitles witnesses compelled to testify before a Federal Grand jury, Congress, or executive agency to transactional immunity.

Specifies guidelines regarding the rights and authority of a Federal grand jury, including the power to initiate independent inquiries.

H.R. 5986. April 4, 1977. Interstate and Foreign Commerce. Amends the Clean Air Act to revise carbon monoxide and nitrogen oxide emission standards for light-duty motor vehicles. Extends interim emission standards for hydrocarbons and carbon monoxide through model year 1979. Extends interim standards for nitrogen oxides through model year 1981. Authorizes revisions or waivers of nitrogen oxide standards in subsequent model years.

Authorizes non-disclosure of emission data to the public where deemed necessary to preserve trade secrets. Establishes procedures for public participation in hearings on proposed motor vehicle emission standards.

Authorizes appropriations to carry out the Act through fiscal year 1980.

H.R. 5987. April 4, 1977. International Relations. Grants the consent of Congress to retired members of the uniformed services, members of Reserve components of the armed forces, and members of the Public Health Service Reserve Corps to accept employment with foreign governments with the approval of the Secretary concerned and the Secretary of State.

H.R. 5988. April 4, 1977. Judiciary. Restricts the power of a State or political subdivision to tax the income of an individual residing or earning income in another State.

H.R. 5989. April 4, 1977. Post Office and Civil Service. Prohibits the Secretary of the Treasury from reporting to any city requiring the withholding of city taxes from the pay of employees the name, address, other identifying particular, or pay of any Federal employee unless release of such information is ordered by a United States district court as necessary to the conduct of a criminal investigation.

H.R. 5990. April 4, 1977. Post Office and Civil Service. Prohibits the taking of civil service disciplinary action against any civil service employee who refuses to comply with directives to report to any place for the service of State or local process in connection with a claim against such employee for taxes allegedly owed such State or unit of local government.

H.R. 5991. April 4, 1977. Education and Labor. Amends the provisions of the National School Lunch Act concerning the summer food service program for children to authorize appropriations for 1978. Specifies the level of disbursement for, and the meals that may be served by, participating service institutions. Specifies the time at which payments must be made to States and service institutions.

Directs the Secretary of Agriculture to study the costs of food service operations and administration of the program. Authorizes the Secretary to conduct demonstration projects to better assure that needy children receive balanced meals during the summer.

H.R. 5992. April 4, 1977. Judiciary. Amends the Immigration and Nationality Act to exclude from admission into, and provides for the deportation from, the United States of any alien who engaged or assisted in, or incited or directed others to engage in, the persecution of others on the basis of religion, race, or national origin under the direction of the Nazi government of Germany between March 23, 1933, and May 8, 1945.

H.R. 5993. April 4, 1977. Ways and Means; Small Business Amends the Internal Revenue Code to allow individuals limited income tax credits for residential insulation and solar energy expenditures. Amends the Small Business Act to provide low interest loans for commercial investment in energy conservation and renewable resource measures.

H.R. 5994. April 4, 1977. Agriculture. Extends the provisions of the Rice Production Act of 1975 through the 1981 crops year. Sets formulas for the established price and the loan for each such crop and requires cooperators to plant no less than 90 percent of their allotments. Directs that acreage not planted because of disaster or condition beyond the producer's control be considered acreage planted to rice.

H.R. 5995. April 4, 1977. Judiciary. Prohibits commerce in contraband cigarettes and defines "contraband cigarettes."

Subjects dealers in cigarettes to such reporting requirements as the Secretary of the Treasury may prescribe.

H.R. 5996. April 4, 1977. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to direct the Commissioner of Education to make grants to local educational agencies for energy conservation measures, technical assistance related to such measures, and energy demonstration projects showing unusual promise.

H.R. 5997. April 4, 1977. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communication Commission to grant broadcast licenses and license renewals for five-year terms.

Revises the Act to allow certain appeals from orders or decisions of the Commission to be brought in the United States court of appeals for the circuit in which the broadcast facility is, or is proposed to be located.

Requires the Commission to examine its broadcast license renewal procedure to determine how it can be simplified.

H.R. 5998. April 4, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to define sex discrimination for employment purposes to include discrimination on the basis of pregnancy.

H.R. 5999. April 4, 1977. Public Works and Transportation. Amends the Interstate Commerce Act to increase the amount of capital stock or the principal value of other securities which may be issued by motor carriers without authorization by the Interstate Commerce Commission.

H.R. 6000. April 4, 1977. Education and Labor. Increases the dollar amount of contracts to which the Davis-Bacon Act applies and provides for future increases tied to cost-of-living increases. Makes such Act applicable only to unskilled laborers. Details the method for computing the "prevailing wage" under the Act. Establishes a Federal Construction Appeals Board to hear appeals regarding wage rate determinations under the Act.

H.R. 6001. April 4, 1977. Judiciary. Amends the Clayton Act to prohibit any corporation engaged in any activity affecting commerce from acquiring stock, other share capital, or assets of one or more corporations where the effect of such acquisition is the substantial lessening of competition or the tendency to create a monopoly.

H.R. 6002. April 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present).

H.R. 6003. April 4, 1977. Agriculture. Amends the Agricultural Act of 1949 to base specified disaster payments for wheat and feed grains on the actual acreage planted, in lieu of the farm acreage allotment base.

H.R. 6004. April 4, 1977. Science and Technology. Directs the President to establish (1) a National Earthquake Hazard Reduction Program, (2) an Office of Earthquake Hazard Reduction, (3) a National Advisory Committee on Earthquake Hazard Reduction, and (4) an Earthquake Prediction Evaluation Board.

Specifies the duties of the Office of Earthquake Hazard Reduction, including the development of an Earthquake Hazard Reduction Program plan.

Enumerates the Federal agencies to be assigned responsibilities in, and details the elements of, the Earthquake Hazard Reduction Program.

Directs the Earthquake Prediction Evaluation Board to monitor prediction methods and issue earthquake predictions.

H.R. 6005. April 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 6006. April 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain corporation in full settlement of such corporation's claims against the United States.

H.R. 6007. April 4, 1977. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 6008. April 5, 1977. Agriculture. Amends the Consolidated Farm and Rural Development Act to increase the percentage of the cost of a water or waste project which the Department of Agriculture may fund by grants to local associations. States general formula for the calculation of grant amounts according to prescribed maximum rates for the project facility use payment made by an average domestic user of an area to be served by a project. Revises the priorities for recipients of project grants.

H.R. 6009. April 5, 1977. Interstate and Foreign Commerce. Creates an Electric Energy Office in the Federal Power Commission to establish and enforce national minimum standards for electric utility rates to be binding upon all utilities and regulatory agencies. Requires that utility rate structures be designed so as to provide lower rates for residential and small business users and to penalize wasteful consumption of electric energy.

H.R. 6010. April 5, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to insure domestic and foreign air carriers against loss or damage arising out of any risk (previously only war risks) from the operation of an aircraft under specified conditions.

H.R. 6011. April 5, 1977. Veterans' Affairs. Provides that recipients of veterans' pensions and compensation will not have the amount of such pension or compensation reduced because of increases in social security benefits.

H.R. 6012. April 5, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 6013. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to repeal the limitations made by the Tax Reform Act of 1976 on the exclusion for sick pay.

H.R. 6014. April 5, 1977. Agriculture; International Relations. Directs the Secretary of Agriculture to establish a food reserve to help meet emergency food conditions in any area of the United States or in any foreign country which suffers a severe loss of its food supply because of a natural disaster. Authorizes the Secretary to permit foreign countries to participate in the program by purchasing certain commodities and paying the required storage and handling costs.

H.R. 6015. April 5, 1977. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to revise the method of computation of annuities for certain retired employees and their suviving spouses.

H.R. 6016. April 5, 1977. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to permit any increase in rates of pay for Members of Congress to take effect only if expenditures of the United States did not exceed receipts of the United States in the last completed fiscal year.

Subjects any increase in the rate of pay for the Vice President to the same condition.

H.R. 6017. April 5, 1977. Education and Labor. Amends the National Labor Relations Act and the Railway Labor Act to prohibit an employer from discriminating against an employee who is enrolled in a full-time program of secondary, vocational, or higher education for nonmembership in or failure to provide financial support to a labor organization.

H.R. 6018. April 5, 1977. Education and Labor. Amends the National Labor Relations Act and the Railway Labor Act to repeal provisions allowing an employer and a labor organization to enter into an agreement to require membership in such organization as a condition of employment.

H.R. 6019. April 5, 1977. Post Office and Civil Service. Declares that all Federal employees have the right to form, join, and assist a labor organization or to refrain from any such activty without fear of penalty or reprisal.

H.R. 6020. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 6021. April 5, 1977. International Relations. Grants the consent of Congress to retired members of the uniformed services, members of Reserve components of the armed forces, and members of the Public Health Service Reserve Corps to accept employment with foreign governments with the approval of the Secretary concerned and the Secretary of State.

H.R. 6022. April 5, 1977. Judiciary. Amends the Immigration and Nationality Act to exclude from the definition of the term "immigrant" those persons entering the United States for a period of not more than one year to perform temporary services or labor if the Secretary of Labor has determined and certified to the Attorney General that there are not sufficient workers available at the aliens destination who are willing and able to perform such services.

H.R. 6023. April 5, 1977. Post Office and Civil Service. Makes National Guard civilian technicians members of the competitive service. Gives such individuals certain rights relating to order of retention and procedures for removal or suspension from employment.

H.R. 6024. April 5, 1977. House Administration. Directs the Librarian of Congress to transfer one of the Gettysburg Address manuscripts to the Secretary of the Interior for the purpose of placing such manuscript on display in Gettysburg National Park, Pennsylvania.

H.R. 6025. April 5, 1977. Interstate and Foreign Commerce. Amends the Natural Gas Act to revise procedures governing regulation of prices of new natural gas by the Federal Power Commission. Directs the Commission to undertake mandatory conservation and allocation measures during natural gas shortages.

Amends the Energy Supply and Environmental Coordination Act of 1974 to authorize the Federal Energy Administrator to prohibit major facilities for burning natural gas.

H.R. 6026. April 5, 1977. Merchant Marine and Fisheries. Amends the Commercial Fisheries Research and Development Act of 1964 to authorize the appropriation of funds to the Secretary of Commerce for apportionment to the States for fiscal years 1978, 1979, and 1980 to carry out the purposes of the Act.

H.R. 6027. April 5, 1977. Merchant Marine and Fisheries. Amends the Atlantic Tunas Convention Act to: (1) authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out the purposes of the Act; and (2) redefine "fisheries zone" to fix the outer boundary of such zone at a point which is 200 nautical miles from the baseline from which the territorial sea is measured.

H.R. 6028. April 5, 1977. Interstate and Foreign Commerce; Ways and Means; Government Operations; Science and Technology. Amends the Internal Revenue Code to 1954 to give preferential status to users of recycled oil in Federal procurement activities.

Authorizes the Administrator of the Environmental Protection Agency to make grants for implementation and operation of State waste oil management plans.

Directs the Administrator of Energy Research and Development to conduct a program to improve the performance and marketability of recycled oil.

H.R. 6029. April 5, 1977. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to expand the programs for the treatment of burn injuries, research on burns, and the rehabilitation of burn victims by establishing additional burn centers and burn units and by supporting research and training programs in the treatment and rehabilitation of burn injury victims.

Authorizes funds for the continuation of present burn treatment programs and authorizes the appropriation of additional funds for such expanded programs.

H.R. 6030. April 5, 1977. Interior and Insular Affairs. Amends the Atomic Energy Community Act of 1955 to authorize the Administrator of the Energy Research and

Development Administration to continue assistance payments to specified local governmental units in Los Alamos, New Mexico, beyond the deadline dates specified in such Act.

H.R. 6031. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax exclusion for the interest on governmental bonds the proceeds of which are used for facilities to furnish hydroelectric energy.

H.R. 6032. April 5, 1977. Judiciary. Prohibits disclosure of information identifying or tending to identify a person as a present or former participant in United States foreign intelligence operations if (1) the information has been designated by statute or Executive order as requiring some degree of protection of (2) the person disclosing the information knows or has reason to believe that such disclosure may prejudice the safety or well-being of the person identified.

H.R. 6033. April 5, 1977. House Administration. Provides for the designation of any nationally accredited law school as a depository library upon request of such law school.

H.R. 6034. April 5, 1977. Merchant Marine and Fisheries. Amends the Shipping Act, 1916, to include within the definition of "common carrier by water in foreign commerce" under such Act common carriers engaging in the ocean transportation of property of United States origin or destination via ports in nations contiguous to the United States who advertise or arrange the transportation of such property within the United States or who issue or deliver within the United States, ocean or through intermodal bills of lading or other contracts of freightment for such transportation.

Establishes minimum rates for such transportation.

H.R. 6035. April 5, 1977. Education and Labor. Prohibits the sexual exploitation of children by making it unlawful for any individual to (1) cause or permit a child to be photographed or filmed engaged in a sexual act prohibited under this Act; (2) photograph or film a prohibited sexual act; (3) knowingly transport a film or photograph depicting a prohibited sexual act; or (4) receive for sale or sell any such film or photograph, if such individual knows or should know such film or photograph has or may be transported in such a manner as to affect interstate or foreign commerce.

H.R. 6036. April 5, 1977. Agriculture. Amends the Agricultural Act of 1949, as amended, to set loan levels for the 1977 crops of wheat, corn, and upland cotton, and to set the 1977 price supports of milk and wool.

H.R. 6037. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to increase the limitation on adjusted gross income for purposes of the credit for the elderly.

H.R. 6038. April 5, 1977. Armed Services. Establishes a Dental Corps within the Department of the Army to be headed by the Assistant Surgeon General. Establishes a Dental Service within the Air Force.

H.R. 6039. April 5, 1977. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to allow use of food additive for human health purposes, even though such additive induces cancer in animals, if the Secretary of Health, Education, and Welfare determines the benefits of such use outweigh the risks.

Directs the Secretary to consider in his evaluation (1) scientific data and information on the additive; (2) the scientific validity and other conditions concerning the additive's testing on animals; and (3) the reliability of predicting cancer in humans from use of an additive found to induce cancer in animals.

H.R. 6040. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to exempt farming vehicles from the highway motor vehicle excise tax, excepting vehicles owned by corporations with gross annual receipts exceeding $950,000, or which derive more than 50 percent of their gross receipts from nonfarming activities.

H.R. 6041. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to allow a State, a possession of the United States, any political subdivision of any of the foregoing, the District of Columbia, or an issuer of qualified scholarship funding bonds to elect to issue taxable obligations, the interest of which will be included in the gross income of the recipient.

Directs the Secretary of the Treasury to pay without condition or requirement a percentage of the interest yield on each obligation for which the election of taxability has been made.

H.R. 6042. April 5, 1977. Government Operations. Establishes a Department of Senior Citizens Affairs. States that the Department shall serve as a clearinghouse for information related to the problems of the elderly and shall assume specified responsibilities from other government agencies.

H.R. 6043. April 5, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for rural health clinic services pursuant to the program of Supplementary Medical Insurance Benefits for the Aged and Disabled of such Title.

H.R. 6044. April 5, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to direct the Secretary of Labor to provide financial assistance to prime sponsors submitting approved plans for school year youth incentive and summer youth incentive programs.

H.R. 6045. April 5, 1977. Veterans' Affairs. Denies veterans' benefits to an individual whose discharge from military service during the Vietnam era under less than honorable conditions is administratively upgraded, under temporarily revised standards, to discharge under honorable conditions; but only when such veterans' claim for benefits is based solely on such upgraded discharge. Requires the Secretary of the armed service concerned to provide the Administrator of Veterans' Affairs with appropriate records indicating the initial issuance of any discharge or release from active service which is upgraded.

H.R. 6046. April 5, 1977. Veterans' Affairs. Requires the Secretary of Defense to pay a lump-sum to each qualified Vietnam-era veteran, and an additional lump-sum to each qualified Vietnam-era combat veteran, or to such veteran's survivor if such veteran is deceased.

H.R. 6047. April 5, 1977. Small Business. Authorizes the Small Business Administration to provide emergency drought assistance loans to assist small business concerns to overcome the effects of actual or prospective substantial economic injury resulting from the 1976–1977 drought.

H.R. 6048. April 5, 1977. Agriculture. Increases from $250,000 to $500,000 the amount of any Resource Conservation and Development loan for which funds may be appropriated under the Bankhead-Jones Farm Tenant Act without prior approval of such loan by certain congressional committees.

Extends the loan-making power of the Secretary of Agriculture to include loans for the conservation, development and utilization of water for aquaculture purposes.

H.R. 6049. April 5, 1977. Agriculture. Amends the Watershed Protection and Flood Prevention Act to increase the maximum allowable amount for single loans or advancements for watershed improvement projects.

H.R. 6050. April 5, 1977. Public Works and Transportation. Directs the Secretary of Transportation to convey a reversion interest in specified patent lands to Redmond, Oregon.

H.R. 6051. April 5, 1977. Judiciary; Banking, Finance and Urban Affairs; Armed Services; Government Operations. Prohibits intelligence activities which interfere with first amendment rights. Limits the jurisdictions of such Bureau and the Central Intelligence Agency to criminal investigations and foreign intelligence gathering, respectively. Renames such agencies. Repeals specified statutes relating to the exercise of the first amendment rights of freedom of speech and association. Establishes procedures to investigate law violations committed by Federal officials involved in intelligence activities.

H.R. 6052. April 5, 1977. Agriculture. Amends the Food Stamp Act of 1964 by revising: (1) eligibility standards; (2) the method of determining the coupon allotment; and (3) administration of the program by State agencies.

H.R. 6053. April 5, 1977. Armed Services. Establishes within the Department of Defense a Weapons and Munitions Security Office which shall be responsible for formulating, coordinating, and supervising a continuing program of security and accountability for weapons and munitions of the Department of Defense.

H.R. 6054. April 5, 1977. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 6055. April 5, 1977. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to exclude certain employers from coverage.

Revises certain procedures dealing with (1) standards and their promulgation; (2) inspections, investigations, and recordkeeping; (3) citations and notices; and (4) enforcement.

Provides for (1) certain affirmative defenses by employers; (2) consultative visits by the Secretary upon employer request; and (2) voluntary compliance agreements between the Secretary and an employer.

H.R. 6056. April 5, 1977. Judiciary. Amends provisions of the Gun Control Act of 1968 imposing additional penalties for individuals who use or unlawfully carry a firearm during the commission of a Federal felony.

H.R. 6057. April 5, 1977. Judiciary. Imposes specified separate penalties for disclosure of classified information to unauthorized persons by an individual who had possession or obtained such information as a Federal public servant.

H.R. 6058. April 5, 1977. Requires any rule proposed by any Government agency to be submitted to Congress with a full explanation of such rule. States that such rule shall become effective no later than 60 days after submission to Congress unless either House adopts a resolution disapproving such rule.

H.R. 6059. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to allow employers a tax credit for the sum of FICA (and in specified instances, FUCA) taxes withheld and paid for a limited number of new employees. Directs the Secretary of the Treasury, in consultation with other departments and agencies, to make annual reports to Congress on the impact of this credit as an employment incentive.

H.R. 6060. April 5, 1977. Ways and Means. Requires that expenditures by the Federal Government shall not exceed its revenues except in time of war or national emergency declared by Congress.

Establishes a schedule for systematic reduction of the public debt.

H.R. 6061. April 5, 1977. Interstate and Foreign Commerce. Amends the Federal

Trade Commission Act to authorize the appropriation of funds for the administration of such Act during fiscal years 1978, 1979, and 1980.

H.R. 6062. April 5, 1977. Rules. Requires specified congressional committees to conduct sunset reviews of programs relating to military personnel and education and training by the end of fiscal year 1979, to determine whether such programs should be expanded, restricted, continued or terminated. Prohibits, thereafter, the enactment of new budget authority for such programs unless a sunset review report has been submitted to the appropriate House.

Terminates all tax exclusions, exemptions, deductions, credits, preferential tax rates, and tax deferrals by 1983 or five years after their enactment, whichever is later. Forbids their re-enactment unless specified congressional committees have conducted sunset reviews of such provisions.

H.R. 6063. April 5, 1977. Judiciary. Amends the General Revision of Copyright Law to limit performance rights in sound recordings, to impose a compulsory licensing procedure on the public performance of sound recordings, to establish royalty rates for broadcast stations, and to outline the procedure for the distribution of royalties to claimants.

H.R. 6064. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to define integrated auxiliaries of churches which are exempt from certain filing requirements for tax exempt organizations.

H.R. 6065. April 5, 1977. Ways and Means. Redefines "head of household" under the Internal Revenue Code to include otherwise qualified individuals who maintain households without dependents.

H.R. 6066. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to repeal the withholding requirements for certain gambling winnings.

H.R. 6067. April 5, 1977. Public Works and Transportation. Directs the Administrator of the General Services Administration and the Secretary of Defense to develop energy conservation guidelines for Federal buildings, federally assisted buildings, and Federal procurement. Authorizes increased Federal assistance to buildings constructed or renovated with solar energy or other energy-conserving equipment.

H.R. 6068. April 5, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed (Registered) nurses.

H.R. 6069. April 5, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 6070. April 5, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for certain clinical psychologists' services under the supplemental medical insurance program.

H.R. 6071. April 5, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for one physical checkup a year under the supplementary medical insurance program.

H.R. 6072. April 5, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title II (Old-age, survivors, and disability insurance) of the Social Security Act to extend Medicare hospital coverage to include drugs. Establishes a formulary committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 6073. April 4, 1977. Post Office and Civil Service. Specifies civil penalties for persons who continue to engage in conduct which the Postal Service determines constitutes either (1) a scheme or device for obtaining money or property through the mail by means of false pretenses or (2) a lottery, gift enterprise, or similar scheme for the distribution of money or property, and for persons who fail to comply with orders issued by the Postal Service as a result of such a determination.

H.R. 6074. April 5, 1977. Veterans' Affairs. Denies veterans' benefits to an individual whose discharge from military service during the Vietnam era under less than honorable conditions is administratively upgraded, under temporarily revised standards, to discharge under honorable conditions; but only when such veterans' claim for benefits is based solely on such upgraded discharge.

H.R. 6075. April 5, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to define sex discrimination for employment purposes to include discrimination on the basis of pregnancy.

Prohibits an employer providing benefits under a fringe benefit program which is in violation of this act from reducing benefits or compensation in order to comply with this act.

H.R. 6076. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to apply the same rate schedule presently applied to unmarried individuals who are not heads of households, all individuals, estate and trusts, and to require each employed individual earning more than $750 annually to file a separate income tax return regardless of marital status.

H.R. 6077. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals to treat amounts paid for permanent improvements to property for medical care purposes as deductible medical expenses without reducing the deductions for any increase in the value of the property.

H.R. 6078. April 5, 1977. Interstate and Foreign Commerce. Exempts sales of natural gas by small independent producers from regulation by the Federal Power Commission.

H.R. 6079. April 5, 1977. Banking, Finance and Urban Affairs; Judiciary. Prescribes standards and procedures for disclosure of financial records of any customer by a financial institution to any State or any political subdivision of any State. Sets conditions under which the interception of oral or wire communications in the course of doing business is lawful. Establishes criminal and civil penalties for violations of this Act.

H.R. 6080. April 5, 1977. Banking, Finance and Urban Affairs; Judiciary. Prescribes standards and procedures for disclosure of financial records of any customer by a financial institution to any State or any political subdivision of any State. Sets conditions under which the interception of oral or wire communications in the course of doing business is lawful. Establishes criminal and civil penalties for violations of this Act.

H.R. 6081. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax a limited amount of specified higher education expenses, including tuition, fees, books and supplies, incurred by the taxpayer for himself and any dependents.

H.R. 6082. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax a limited amount of specified higher education expenses, including tuition, fees, books and supplies, incurred by the taxpayer for himself and any dependents.

H.R. 6083. April 5, 1977. Rules; Interstate and Foreign Commerce. Establishes an Office of Consumer Protection within the legislative branch to represent the interests of consumers before Federal agencies and the courts, to encourage and support research on consumer products, to receive and act upon consumer complaints, and to gather and disseminate information on matters of consumer interest.

Requires Federal agencies considering actions which may substantially affect the interests of consumers to notify the Office, and to consider the interests of consumers.

Permits Congressional committees to order the Director of such office to intervene, representing consumer interests, in proceedings of Federal agencies which may substantially affect consumers.

H.R. 6084. April 5, 1977. Merchant Marine and Fisheries. Amends the Fish and Wildlife Coordination Act to establish a program of Federal assistance to the States for the preservation of natural game fish streams, administered by the Secretary of the Interior.

H.R. 6085. April 5, 1977. International Relations. Directs the Director of the United States Information Agency to make available to the National Archives of the United States a master copy of the film "Hirshhorn Museum and Sculpture Garden." Directs the Administrator of General Services to provide copies of the film for public viewing within the United States.

H.R. 6086. April 4, 1977. Public Works and Transportation. Authorizes the Regents of the Smithsonian Institution to construct museum support facilities.

H.R. 6087. April 5, 1977. Interstate and Foreign Commerce; Interior and Insular Affairs. Amends the Energy Supply and Environmental Coordination Act of 1974 to direct the Federal Energy Administrator to publish quarterly reports containing specified information on domestic energy resources.

H.R. 6088. April 5, 1977. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to require States applying for assistance under such Act to establish and implement basic standards of secondary students' educational proficiency, including the passing of reading, writing, and mathematics examinations.

Establishes the National Commission on Basic Education and directs it to (1) establish such standards; and (2) review and approve or disapprove State plans implementing such standards.

Requires the Commission to report to the President and to the Congress no later than three years after the effective date of this Act.

H.R. 6089. April 5, 1977. Interstate and Foreign Commerce; Merchant Marine and Fisheries; Public Works and Transportation. Amends the Shipping Act, 1916 to require the filing of specified intermodal transportation agreements with the Federal Maritime Commission. Requires the rates for such service over a through route to be set forth in a tariff filed with the Commission.

Directs the Federal Maritime Commission, the Interstate Commerce Commission, and the Civil Aeronautics Board to promulgate uniform rules and regulations governing the content, format, and filing of tariffs for intermodal services.

H.R. 6090. April 5, 1977. Ways and Means. Amends the Internal Revenue Code to provide a deduction for State and local taxes imposed on the furnishings or sale of electrical energy, steam, sewage disposal services, gas or telephone services.

H.R. 6091. April 5, 1977. Post Office and Civil Service. Sets the maximum average workweek for Federal firefighters at 54 hours. Entitles such firefighters to premium pay in lieu of overtime pay equal to up to 25 percent of their basic pay rate.

H.R. 6092. April 5, 1977. Education and Labor. Amends the Juvenile Justice and Delinquency Prevention Act of 1974 to designate the Assistant Administrator, Office of Juvenile Justice and Delinquency Prevention, of the Law Enforcement Assistance

Administration as such Office's Chief Executive Officer and set forth provisions relative to his authority.

Revises the composition and functions of the National Advisory Committee for Juvenile Justice and Delinquency Prevention and State Juvenile Justice Advisory bodies.

Revises guidelines for use of, and for matching shares with respect to, Juvenile Justice formula grants.

Amends the grant program under the Runaway Youth Act.

H.R. 6093. April 5, 1977. Judiciary. Amends the Immigration and Nationality Act to: (1) grant permanent resident status to certain aliens in this country on January 1, 1977; (2) increase the number of total lawful admissions of aliens; (3) remove the English language requirement for citizenship; (4) direct the Attorney General to collect and remit wages due deported aliens after paying the taxes thereon; and(5) remove the residency requirements for persons seeking citizenship after serving in the U.S. Armed Forces.

Directs the Secretary of Health, Education, and Welfare to establish and maintain an index of thumbprints of social security account applicants.

Establishes a Commission on United States-Mexico Immigration Policy.

H.R. 6094. April 5, 1977. Public Works and Transportation; Interior and Insular Affairs; Agriculture. Establishes in the Department of the Interior an Office of Dam Safety and Construction to plan, design, and construct certain dams. Directs the Secretary of the Interior to promulgate safety regulations for dam construction. Transfers to the Secretary all dam planning, design, and construction functions of United States departments and agencies.

Establishes a Dam Safety Review Panel to examine and assess dam safety. Directs the United States Geological Survey to examine proposed dam construction sites. Directs the Office of Management and Budget to carry out certain transfer functions.

H.R. 6095. April 5, 1977. Interstate and Foreign Commerce. Amends the Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains be equipped with bulletproof glass and equipment which is capable of providing controlled temperatures.

H.R. 6096. April 5, 1977. Agriculture; Education and Labor. Provides States with the option of consolidating and reorganizing the following food assistance programs (1) the food stamp program, (2) the child feeding programs under the National School Lunch Act and the Child and Nutrition Act of 1966, (3) the expanded food and nutrtion education program under the Smith-Lever Act, and (4) the commodity supplemental food program. Sets forth the procedures and requirements for participation by the States.

H.R. 6097. April 5, 1977. Post Office and Civil Service. Amends the Federal Salary Act of 1967 to require that the pay recommendations of the President with respect to salary increases for Members of Congress be approved by legislation by both Houses of Congress.

Amends the Legislative Reorganization Act of 1946 to abolish automatic cost-of-living adjustments for Members of Congress.

H.R. 6098. April 5, 1977. Judiciary. Establishes a Competition Review Commission to study the effect of certain laws, regulations, policies, governmental practices, and the competitive structure of major industries on employment, price levels, profit levels, efficiency, quality of goods and services, and the ability of domestic corporations to compete with foreign corporations. Directs the commission to recommend a program of legislative and executive action to the President and the Congress which is designed to ameliorate anticompetitive conditions found to be detrimental to the public interest.

H.R. 6099. April 5, 1977. Banking, Finance and Urban Affairs. Permits the provisions of the Renegotiation Act of 1951 to be effective only when the President determines, during a period of national emergency, that having such provisions in effect is in the best interest of the United States and neither House of Congress passes a resolution within 60 days thereafter disagreeing with such determination.

Establishes a Commission to Study the Renegotiation Act of 1951 to consider and recommend to Congress whether the act should be continued, amended, or repealed. Requires such recommendations to be made within 2 years from the date of enactment of this act.

H.R. 6100. April 5, 1977. Education and Labor. Increases the dollar amount of contracts to which the Davis-Bacon Act applies and provides for future increases tied to cost-of-living increases. Makes such Act applicable only to unskilled laborers. Details the method for computing the "prevailing wage" under the Act. Establishes a Federal Construction Appeals Board to hear appeals regarding wage rate determinations under the Act.

H.R. 6101. April 5, 1977. Veterans' Affairs. Permits acceleration of monthly educational assistance payments made by the Veterans' Administration to eligible veterans and dependents. Provides alternative financial and educational assistance to peacetime post-Korean veterans affected by the expiration of their delimiting period. Provides for a conditional extension of the delimiting period for certain Vietnam era veterans. Provides for the development of additional educational, employment, and readjustment assistance programs for veterans, and for protection against abuses and misuse of veterans benefits. Revises the criteria for nonaccredited courses.

H.R. 6102. April 5, 1977. Interior and Insular Affairs. Directs the Secretary of the Interior to convey specified lands in Lake County, Colorado, a named individual.

H.R. 6103. April 5, 1977. Judiciary. Declares a certain individual to have achieved the grade of major-general in the Air Force, for the purpose of computing his retired pay. Directs the Secretary of the Air Force to pay him the difference in salary and retired pay to which he would have been entitled if he had been so promoted.

H.R. 6104. April 5, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 6105. April 5, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6106. April 5, 1977. Judiciary. Specifies that the presumptions relating to diseases and disabilities shall apply in determining whether a certain individual is entitled to veterans disability compensation.

H.R. 6107. April 5, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 6108. April 5, 1977. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 6109. April 5, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6110. April 6, 1977. Interior and Insular Affairs. Amends certain provisions of law (1) to authorize appropriations for the benefit of (a) the Trust Territory of the Pacific Islands, (b) the Trust Territory Economic Development Loan Fund, and (c) Guam; (2) to abolish the offices of the comptroller of Guam and the Virgin Islands; and (3) to require that certain U.S. payments to the Virgin Islands be made in installments. Authorizes appropriations for the benefit of certain territories in the Pacific. Permits consolidation of government grants to insular areas. Compensates former holders of real estate on Guam whose land was taken without compensation.

H.R. 6111. April 6, 1977. Education and Labor. Amends the Juvenile Justice and Delinquency Prevention Act of 1974 with respect to: (1) duties and meetings of the Coordinating Council on Juvenile Justice and Delinquency Prevention; (2) power of the Administrator of the Law Enforcement Assistance Administration to delegate his authority under such Act; (3) formula grants for State and local delinquency programs and State plans and cash matching shares relative to such grants; and (4) disclosure of certain records gathered for the purposes of such Act.

Amends the Omnibus Crime Control and Safe Streets Act of 1968 to revise requirements for the composition of State law enforcement planning agencies.

H.R. 6112. April 6, 1977. Banking, Finance and Urban Affairs. Amends the Housing and Community Development Act to set forth a formula which the Secretary of Housing and Urban Development must follow in order to determine the amount to be allocated to each city and urban county under the supplemental block-grant program. Authorizes the Secretary to make urban development action grants to severely distressed cities.

Amends the Housing Act of 1937 to increase the limit on funds that are authorized to be appropriated for contracts for annual contributions to low-income housing projects in 1977.

Amends the National Housing Act to extend specified Federal Housing Administration insurance programs.

H.R. 6113. April 6, 1977. Government Operations. Amends the Intergovernmental Cooperation Act of 1968 to require the Federal Government to coordinate any sale, purchase, or change of use of Federal real estate with State and local authorities. Requires as a condition for Federal areawide development assistance that State and local governments and areawide agencies prepare coordinated areawide development plans.

H.R. 6114. April 6, 1977. Agriculture. Amends the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to make and insure loans under such Act for the solar heating or cooling of residential structures on family farms.

H.R. 6115. April 6, 1977. Banking, Finance and Urban Affairs. Authorizes the administrators of specified Federal housing programs to increase the amount of loans made on single- or multi-family dwelling units by up to 20 percent where such increases reflect the cost of solar energy equipment.

Amends the National Housing Act to authorize home improvement loans for the cost of acquisition and installation of solar energy systems.

Amends the Housing and Community Development Act of 1974 to authorize the use of community development block grants for payments to assist in the acquisition and installation of solar energy equipment.

H.R. 6116. April 6, 1977. Veterans' Affairs. Guarantees automatically any loan to a qualified veteran for the purchase and installation of solar heating and/or cooling in a dwelling which he owns and occupies.

H.R. 6117. April 6, 1977. Armed Services. Amends the National Security Act of 1947 to establish procedures and standards for the classification and declassification of sensitive official information and material. Es-

tablishes criminal penalties for unauthorized disclosure of such information or material.

H.R. 6118. April 6, 1977. Government Operations. Establishes a Consumer Protection Agency within the executive branch to represent the interests of consumers before Federal agencies, to receive and act upon consumer complaints, to perform research on consumer products, and to gather and disseminate information on consumer products and services.

Requires Federal agencies considering policies or regulations which may affect the interests of consumers to notify the Agency, and to consider the interests of consumers.

H.R. 6119. April 6, 1977. Science and Technology. Establishes a five-year program in the Energy Research and Development Administration designed to develop advanced automobile propulsion systems. Directs the Secretary of Transportation and the Administrator of the Environmental Protection Agency to evaluate test vehicles for compliance with applicable environmental, energy efficiency, and motor vehicle safety requirements.

H.R. 6120. April 6, 1977. House Administration. Directs the Attorney General in consultation with the Secretary for Health, Education, and Welfare to prescribe standards for polling and registration facilities which will assure ready access by the handicapped and the aged.

Permits designation of facilities for Federal elections which do not comply with such standards only where conforming facilities are unavailable.

Requires States to provide alternative registration and voting methods for aged and handicapped persons assigned to inaccessible registration facilities or polling places.

Requires that a paper ballot be made available to a person unable to operate a voting machine.

H.R. 6121. April 6, 1977. House Administration. Directs the Attorney General in consultation with the Secretary for Health, Education, and Welfare to prescribe standards for polling and registration facilities which will assure ready access by the handicapped and the aged.

Permits designation of facilities for Federal elections which do not comply with such standards only where conforming facilities are unavailable.

Requires States to provide alternative registration and voting methods for aged and handicapped persons assigned to inaccessible registration facilities or polling places.

Requires that a paper ballot be made available or a voting assistance be permitted to a person unable to operate a voting machine.

H.R. 6122. April 6, 1977. House Administration. Directs the Attorney General in consultation with the Secretary for Health, Education, and Welfare to prescribe standards for polling and registration facilities which will assure ready access by the handicapped and the aged.

Permits designation of facilities for Federal elections which do not comply with such standards only where conforming facilities are unavailable.

Requires States to provide alternative registration and voting methods for aged and handicapped persons assigned to inaccessible registration facilities or polling places.

Requires that a paper ballot be made available of a voting assistance be permitted to a person unable to operate a voting machine.

H.R. 6123. April 6, 1977. Ways and Means. Amends the Internal Revenue Code to repeal the carryover basis provisions enacted by the Tax Reform Act which provide that beneficiaries receiving property from a decedent's estate will retain the decedent's basis in the property. Restores prior law which "stepped up" or "stepped down" the property's basis to its market value at the time of death without imposing tax consequences on the appreciation or depreciation the property underwent while held by the decedent.

H.R. 6124. April 6, 1977. Ways and Means. Amends various provisions of Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act with respect to the determination of an individual's eligibility for benefits under such Title, the amount of such benefits, and the duration of a period of eligibility under such Title.

H.R 6125. April 6, 1977. Ways and Means. Revises the Internal Revenue Code by amending and repealing portions of the Code with respect to capital gains and losses, income derived from the extraction of minerals, individual and corporate income, the estate and gift tax and State and local obligations.

H.R. 6126. April 6, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for clinical psychologists' services under the supplementary medical insurance program.

H.R. 6127. April 6, 1977. Education and Labor Amends the Elementary and Secondary Education Act to treat Puerto Rico on the same basis as a State for certain program allocations under such Act.

H.R 6128. April 6, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals alternative, limited income tax credits or deductions for the tuition paid for the primary, secondary or higher education of the taxpayer, his spouse and dependents.

H.R. 6129. April 6, 1977. Ways and Means. Amends Title II (Old-Age, Survivors', and Disability Insurance) of the Social Security Act: (1) to eliminate special dependency requirements for entitlement to husband's and widower's insurance benefits; (2) to reduce from 20 to 15 years the duration-of-marriage requirement for divorced wives; (3) to provide benefits for certain divorced husbands; (4) to provide benefits to husbands who have minor children in their care; and (5) to provide benefits for widowed fathers with minor children on the same basis as benefits for wives, couple on their combined earnings record.

H.R. 6130. April 6, 1977. Post Office and Civil Service. Prohibits charging against the allowance, appropriation, or other fund from which a congressional employee is paid the amount such employee's salary is decreased by reason of the fact that such employee is receiving a Federal pension.

H.R. 6131. April 6, 1977. House Administration. Repeals the Presidential Primary Matching Payment Account Act.

H.R. 6132. April 6, 1977. House Administration. Amends the Federal Election Campaign Act of 1971 to (1) prohibit all political committees other than National, State or local committees of national political parties from making contributions to candidates or their committees and (2) forbid all political committees from making contributions to other political committees, with the exception of transfer between and among National, State and local party committees.

H.R. 6133. April 6, 1977. International Relations. Deems void any suit or judicial or administrative process against a person or the property of a person entitled to immunity under the Vienna Convention on Diplomatic Relations. Makes Presidential determinations of entitlement to immunity binding upon governmental authorities. Requires the President to publish a list of missions and personnel entitled to such immunity.

Repeals the criminal penalties for wrongful suit against an immune person. Repeals exceptions to suits against servants in the service of personnel of a foreign mission. Repeals the present criteria for determining eligibility for immunity.

H.R. 6134. April 6, 1977. Education and Labor. Amends the Older Americans Act of 1965 to allow States to distribute Federal funds for the establishment of projects to provide home-delivered meals to qualified homebound elderly persons.

Directs the Commissioner of the Administration on Aging to conduct a demonstration project involving at least three States to determine the feasibility of using the meals system designed by the National Aeronautics and Space Administration for the elderly as a component of, or substitute for regular nutrition projects assisted under such Act.

H.R. 6135. April 6, 1977. Agriculture. Amends the United States Grain Standards Act of 1976 in order, among other things, to: (1) grant discretion to the Administrator of the Federal Grain Inspection Service to make recordkeeping requirements for transactions and processes not directly related to grain inspection and weighing; (2) reduce fees for activities of the Service in connection with such inspection or weighing; and (3) clarify the jurisdiction of official inspection and weighing agencies and clarify the authority of the Secretary of Agriculture to delegate specified functions to the Service.

H.R. 6136. April 6, 1977. Veterans' Affairs. Denies veterans' benefits to an individual whose discharge from military service during the Vietnam era under less than honorable conditions is administratively upgraded, under temporarily revised standards, to discharge under honorable conditions; but only when such veteran's claim for benefits is based solely on such upgraded discharge.

H.R. 6137. April 6, 1977. Ways and Means. Amends the Internal Revenue Code to provide honorably discharged veterans of the Vietnam War a refundable, $500 income tax credit for taxable years ending between 1976 and 1980.

H.R. 6138. April 6, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to: (1) establish a National Young Adult Conservation Corps for youths and young adults, to be administered by the Secretary of Labor through agreements with the Secretaries of Agriculture and the Interior, to carry out projects on public lands and waters; (2) authorize the Secretary of Labor to enter into agreements to pay for youth and young adult community improvement projects; and (3) authorize the Secretary of Labor to financially assist programs for employment opportunities and training services for unemployment youths and young adults and to establish experimental programs relative to such pensions.

H.R. 6139. April 6, 1977. Judiciary. Makes it a Federal crime to fire a firearm or in any manner propel any object at or upon any railroad car engine used by any common carrier engaged in interstate or foreign commerce.

Expands the Federal prohibition against entering a train in any territory, District, or other place within exclusive Federal jurisdiction with an intent to commit robbery, murder, or other violent crime to encompass entry upon any railroad car used by any common carrier engaged in interstate or foreign commerce.

H.R. 6140. April 6, 1977. Ways and Means. Amends the Internal Revenue Code to allow taxpayers to elect accelerated amortization (twice the allowable depreciation deduction) for manufacturing property placed in service in States having an unemployment rate which is greater than 6 percent.

H.R. 6141. April 6, 1977. Judiciary; Education and Labor. Amends the Civil Rights Act of 1964 to prohibit discrimination on the basis of marital status in (1) public accommodations, (2) public facilities, (3) public

education, and (4) federally assisted opportunities. Prohibits such discrimination in housing. Amends the Education Amendments of 1972 to prohibit such discrimination in federally assisted education.

H.R. 6142. April 6, 1977. Judiciary. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 6143. April 6, 1977. Interior and Insular Affairs. Enlarges the boundaries of Sequoia National Park, Calif., by including the Upper Kaweah River addition.

H.R. 6144. April 6, 1977. Judiciary. Establishes a system for settling disputes and appealing decisions settling disputes between executive agencies and private contractors. Permits the establishment within each agency of an agency Board of Contract Appeals. Requires the establishment of procedures for appeals involving claims of $25,000 or less.

H.R. 6145. April 4, 1977. Veterans' Affairs. Provides that recipients of veterans' pensions and compensation will not have the amount of such pension or compensation reduced because of increases in social security benefits.

H.R. 6146. April 6, 1977. Merchant Marine and Fisheries. Amends the Marine Mammal Protection Act of 1972 to require the establishment of progressively lower quotas for the taking of marine mammals incidental to commercial tuna fishing.

Requires the Secretary of the Treasury to ban the importation of fish and fish product from foreign nations causing the incidental killing of or serious injury to marine mammals in excess of standards set by this Act.

H.R. 6147. April 6, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a deduction an amount equal to 25 percent of the gross income from geothermal resources property. Provides for the deduction of intangible drilling and development costs in the case of geothermal property.

H.R. 6148. April 6, 1977. Judiciary. Subjects, with certain exceptions, to the appropriate punishment for the commission of a criminal act within the special maritime and territorial jurisdiction of the United States persons committing a like act in Antarctica if (1) such person is a United States national or a member of a United States expedition, or (2) such act is committed against property of the United States or against the person or property of a United States national or a member of a United States expedition.

H.R. 6149. April 6, 1977. Judiciary. Directs the Secretary of the Treasury to pay to the Contra Costa County Water District, Concord, California $156,000 in settlement of any claim of the Water District against the United States due to Federal condemnation of land surrounding the Naval Weapons Station in Concord.

H.R. 6150. April 6, 1977. Agriculture. Amends the Commodity Exchange Act to authorize the President to remove for cause a Commissioner of the Commodity Futures Trading Commission.

EXTENSIONS OF REMARKS

MASON W. GROSS

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. THOMPSON. Mr. Speaker, those of us who have over the years legislated in the area of higher education were enormously saddened with the news of the death of Dr. Mason W. Gross, former president of Rutgers, the State University of New Jersey.

Dr. Gross assumed the presidency of Rutgers at a time when the university was rather uncertain as to its direction and role in higher education. With enormous skill and a good deal of courage, Dr. Gross put into effect policies which have brought the university into a position of esteem and prominence. Perhaps his finest moment came when he prevailed against those who challenged the principle of academic freedom at the university. Later, he insisted upon giving minority students an opportunity to enter the university under a special program. Time has vindicated his wisdom and judgment in that regard.

Mr. Speaker, I am pleased to share with you an editorial from the Home News of New Brunswick, which commented recently upon Dr. Gross and his contributions:

MASON W. GROSS, 1911–77

He was a civilizing influence—upon the state of New Jersey, the nation and upon higher education. He was a Renaissance Man who did several things well and was interested in everything from football and crew to the most abstruse problems of symbolic logic.

His name meant "Great Builder," an apt description of a man who lifted Rutgers, during his 11 years as president from a rather mediocre school to a first-rate American university. During his tenure the school spilled over the banks of the old Raritan throughout the state, the enrollment grew to 32,000 students and the physical plant quadrupled in size.

While presiding over such a massive undertaking he miraculously found time for active work in the community and the nation—as president of Middlesex General Hospital, founder of the Middlesex County Planning Board, chairman of the state Labor Mediation Board. He played a leading role in helping refugees after their flight from Soviet-occupied Hungary in 1956.

An outspoken man who refused to be politically neutral, he was state chairman for the election of LBJ in 1964, fought against the Vietnam war, protected the academic freedom of a controversial history professor who called for a Viet Cong victory.

One was likely to find him in sophisticated talk with publishers or on a late-night TV spot for clean air and water.

He called on those upset by student protests in the 1960s to look for the causes and not just the phenomena of American unrest, and he never feared a battle even with governors and state legislators to further his university.

The students called him a folk hero and he was probably the only university president in America whose face adorned an undergraduate sweatshirt. He always had time for individual problems and was an excellent listener. Once he found time to counsel for an hour every week, a student with emotional problems.

Naturally he made enemies. He was sometimes an impatient man with little tolerance for what he considered nonsense. His detractors were never able, however, to convince the public that this strong-minded man was weak and vacillating.

His favorite role was teacher. Even as a college President Mason Gross continued to teach philosophy courses, and one of the themes that he repeatedly struck was that education was more than a matter of expertise, but had to do with a sense of beauty and humane feeling.

"Knowledge is power," he said in a commencement address, "and power that thrives on being put to work. When we lose sight of this, we tend to trivialize our intellectual efforts."

To him knowledge was not an arcane matter for scholars to argue at conventions, but connected with the values by which he lived. It was quite a life, and we are all the richer for it.

COMPARES CHINESE AND UNITED STATES SCHOOLS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. SIMON. Mr. Speaker, the distinguished and respected columnist, Carl T. Rowan, had a column the other day about Chinese schools and U.S. schools that merits wide circulation and attention.

Precisely how we can effectively respond to the challenge which he presents, I am not sure, but I am certain that much of the determination of how and where we go in the future rests on how we respond to that challenge.

CHINA'S SCHOOLS BEAT OURS

(By Carl T. Rowan)

SHANGHAI.—I have just completed a visit to the Children's Palace, a sort of "community center" where 800 or so children go after school.

There I saw and heard violin recitals by 12- to 16-year-olds, puppet shows by 4-year-olds, dances by 8-year-olds, a band concert by children 10 to 14, accordion solos by junior high schoolers, artistic work with paint, clay, paper, by children of all ages.

I left the Children's Palace, as I have left other Chinese schools, certain of two things:

1. The Chinese are counting on education to launch them into economic, technological and military parity with the Soviet Union and the U.S.

2. The Chinese made me ashamed of the abominable excluse for education that is being given to millions of American youngsters.

I watched Chinese 15-year-olds studying advanced physics, building transformers and radios that worked, printing electronic circuitry. I watched children 5, 10, 12, demonstrate remarkable poise and articulation—children taught and coached painstakingly by teachers who obviously care—and I contrasted that with schools in my own land which push kids out of school who cannot read, cannot talk, cannot play any instrument and who have no respect either for themselves or the society in which they live.

Some readers will say angrily that "Rowan is glorifying them Commies," but "the truth is the light." The truth is that the Chinese are preparing some 400 million youngsters to rule the world while we are warping and abusing millions of our children, inviting them to destroy America.

China's schools are disciplined almost beyond a modern American's belief.

China's students have no problem with heroin, marijuana, LSD, whisky or any other drugs.

Mrs. Chu Ching-pai, deputy chairperson of the Women's Federation in a "new workers residential area" in Shanghai, looked at me as if I were insane when I asked if any girls had had to leave school because of pregnancy.

A senior government official told me proudly that his 14-year-old daughter wouldn't even speak to a boy at school.

The Communist party here seeks to take credit for better education, high morality and all else. In Canton they boast that enrollment in primary and night school is five times what it was at the time of "liberation"; Nanking claims "15 institutions of higher education, 163 factory run . . . colleges, 6 . . . agricultural colleges, more than 380 high schools, and over 1,900 primary schools as against 5 colleges, 70-odd middle schools, and 800-odd primary schools before liberation." Nanking also claims a 400 per cent increase in enrollment. Shanghai claims universal education with 2,190,000 pupils in 5,300 schools and 33,000 students in 16 institutions of higher learning.

The Chinese now have day-care centers, nurseries, primary and high schools, and sometimes colleges connected with every factory or commune.

From what I saw, China's system is changing the people and the country—even though China is beset by grinding debates over fundamental education vs. modern, exams or no exams, studying foreign languages and cultures or not.

The important reality is that China is preparing her children to cope. In a tragic number of cases, we are not.

Our distaste for Communism ought not prevent us from looking for what we might learn from China in this regard.

HARLEY WYATT, JR.

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. COLEMAN. Mr. Speaker, I wish to take this opportunity to recognize a constituent of my sixth congressional district who recently was honored by his peers in the field of college admissions counselors

On October 6, 1977, at the 34th annual conference of the National Association of College Admissions Counselors, Mr. Harley Wyatt, Jr., director of admissions at William Jewell College of Liberty, Mo., received the coveted Gayle C. Wilson Award.

Harley Wyatt, Jr., is a people-oriented man. He approaches life with a twinkle in his eye. He is the kind of person that is always there to lend a helping hand to a new student or a colleague in the field of admissions or high school counseling.

The number of people whose lives have been touched and helped by this unselfish individual are too numerous to mention, but suffice it to say, he is a man who puts himself last and truly cares about what happens to people.

In addition to his position as director of admissions at William Jewell College, Mr. Wyatt has also been past chairman of the NACAC convention, and credentials committee. Mr. Wyatt was past president of the Missouri ACAC and former president of the Association of Collegiate Registrars and Admissions Officers, among many other professional educational associations.

Mr. Wyatt is an outstanding leader in the field of college admissions. I consider it an honor to be counted among his friends and I congratulate him on this significant award.

CHOOSING VICTIMS FOR A HOLOCAUST

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. EDWARDS of California. Mr. Speaker, in the debate on the neutron bomb it was made clear that the U.S. military plans to equip the NATO forces in Europe with this new weapon.

Le Monde, the influential French newspaper, views this idea with dismay. The following is an editorial from the September 29, 1977 issue:

CHOOSING VICTIMS FOR A HOLOCAUST

The nuclear plans group which brings together in Brussels experts from the bigger NATO countries, except France, has not formally objected to the United States government's intention to mass-produce neutron bombs and deploy them eventually in Europe if President Carter decides to give the go-ahead for the project as is expected Hesitating, as one diplomat put it between "indecision tending to assent and assent tending to reservation," NATO's experts have agreed, without enthusiasm, to sacrifice Europe to the nuclear holocaust set off by what the Soviets describe as the "cruel and barbarous bomb."

Scientists call it an enhanced radiation weapon. The public has come to know it as the neutron bomb, ever since a very large part of the Western and Soviet press condemned this summer the existence of a thermonuclear fusion device favouring, of one may put it that way, the spread of neutron radiation at the expense of its blast, heat and shock effects, which have all been deliberately reduced.

These same scientists triumphantly point out, of course, that the neutron bomb is not new, for it was tried out as far back as in 1963 by the United States, and the Soviet Union—even France for that matter—probably have the wherewithal for manufacturing it. Nonetheless, world opinion discovered with horror and surprise that there could be weapons able to distinguish enemy equipment and buildings from enemy personnel, the better to destroy people and space the material for use in a military occupation of an adversary's territory.

Unmoved by world reaction, military men say the neutron bomb has a precise deterrent role. It is considered the most effective way of blunting a massive armoured attack on European soil, which is the assumption usually invoked by Western military high commands in their assessments of the present strategy of the Warsaw Pack power. At the same time these Western military men dream—technology permits them to dream—of having low-powered miniature tactical nuclear weapons with a selective field strike capability so as to counter-balance the increase in conventional forces of the Eastern countries.

Whatever the Americans say, the neutron bomb is destabilising. It opens the way to a gradual shift from conventional to nuclear war. It makes people used to the idea that the nuclear weapon has ceased to be an unusable deterrent and become a weapon to be actually employed on battlefields. What is more, its high degree of miniaturisation and the ease with which it can be handled reduce the effectiveness of keeping a political check on it from a distance, and increase the chances of its being used without warning as a tactical weapon.

Europe has everything to lose by becoming an operational theatre or testing ground for such weapons which make nuclear war possible and which mainly serve the strategic interests of an American anxious to limit its commitment in cenventional forces in Europe. At a time when Washington says it is optimistic, in the long run, about the talks on arms reduction and Moscow is proposing a suspension of underground testing, it is dismaying to note that NATO's European members have agreed henceforth to be the chosen and willing victims of the neutron bomb.

PEACE INITIATIVES IN MIDDLE EAST

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. COTTER. Mr. Speaker, 2 weeks ago the United States and the Soviet Union issued a joint communique outlining a common policy for the Middle East Geneva Conference. This policy statement generated a great deal of alarm both within Israel and this country because of the major shift it indicated in the administration's attitude toward a Middle East peace settlement.

I was disturbed by this development and explained the reasons for my concern in a recent letter to President Carter, which I would like to share with my colleagues.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 11, 1977.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I respect your foreign policy record, especially your defense of human rights, *but* I want to share with you my concern, and that of many of my constituents, over our government's recent peace initiative in the Middle East.

First, why did the joint U.S.-Soviet communique outlining a common policy for the Geneva conference fail to mention that United Nations resolutions 242 and 338 should be the basis of negotiations? Did the United States make any effort to press the Soviets on this point?

Second, the method by which the communique was released is also of concern. The communique signifies the specific inclusion of USSR in the Geneva negotiations. This, of course, was the cause for the outburst of concern. Perhaps much of this adverse reaction could have been alleviated if you had personally explained its significance in an address to the American people. The element of surprise in this most sensitive area of the world is counterproductive.

Third, what is the Administration's present attitude toward the role of the Palestine Liberation Organization in the Palestinian homeland you have advocated? Would the United States delegation at Geneva resist any attempt to impose a P.L.O. regime on the West Bank Palestinians?

It seems to me that, among the "legitimate rights" of the Palestinian people, would be the right for all political forces to participate in their community's political future. The official Arab posture that the P.L.O. is the exclusive representative of the Palestinian people seems to stand in the way of that goal.

Mr. President, I know you support Israel's right to exist and America's traditional friendship with Israel. But I think Israel's many friends in this country, including myself, would be grateful for more specific assurance that a peace settlement will not be imposed on the Israeli people.

I am looking forward to your response.
Sincerely,

WILLIAM R. COTTER,
Member of Congress.

THE LABOR LAW REFORM BILL

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. STEERS. Mr. Speaker, on Thursday, October 6, 1977, the House passed by a vote of 257 to 163, the bill H.R. 8410, Labor Law Reform Act. I voted for this bill, because after the House completed action on the bill, I felt that most of the legitimate concerns of the business community had been answered.

I would be less than frank if I told you that I supported this bill from the outset. I had several major concerns that had to be resolved before I would vote for H.R. 8410. The bill as reported by the House Education and Labor Committee had inserted the provision that no more than a simple majority of the board members may be a member of the same political party. I felt that it was possible that the administration in power, this one or one in the future, could stock the board and eliminate careful nonpartisan work that has marked the efforts of the National Labor Relations Board. The committee's action prevented any such occurrence.

There were also provisions in the bill to allow for three two-member panels to sit and decide on noncontroversial standard labor law decisions. I felt that the two-member panels were inadequate to protect the interests of both parties. I supported an amendment that would increase the panels to three members. This amendment was adopted.

The bill as approved by the committee called for elections to be held within 15 days if the labor organizers had obtained signatures on authorization cards of a majority of the workers. In my discussions with business leaders it was clear that they felt that the 15 days would not be sufficient time for them to present their case to the workers. This time limit was increased from 15 to 25 days, and longer for the more complicated cases. This amendment was approved, also.

Finally there were two other provisions that were amended by the House. The first extended the equal access provisions of the bill to allow employers to visit union halls and other prounion gatherings. The second provision eased the debarment remedy by giving the Secretary of Labor greater flexibility in applying that section of the bill against noncooperative employers.

Let me stress that I believe this bill strikes the proper balance between the rights of unions to organize and the rights of employers to operate their businesses. I do not believe that H.R. 8410 will lead to "rampant unionism" that could destroy our economy. I do believe the bill is fair and is aimed to deal effectively with employers who have flouted the law and have never paid the penalty. This is the sort of positive legislation that will, I hope, take much of the conflict and antagonism out of labor-management relations.

CANONIZATION OF FATHER CHARBEL MAKHLOUF

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Ms. OAKAR. Mr. Speaker, the recent canonization of Father Charbel Makhlouf, a Lebanese Marinite hermit monk is the cause for celebration. This holy man, who died in 1898 at the age of 70, is the first member of the Maronite Catholic rite to be canonized in the Roman Catholic Church.

At a time when Lebanon is attempting to recover from such devastating internal problems, Father Charbel's canonization bears a special significance for the people of that troubled land. This was evident in that some 6,000 Lebanese representing the entire spectrum of Lebanese political and religious life were present at the ceremony in St. Peter's Basilica, Rome. They participated with thousands of other Christians from all over the world in this joyful occasion.

It is also symbolic of the special link between the Roman Catholic Church and the Maronite Catholic Churches that Maronite Patriarch Antoine Pierre Khoraiche participated in the canonization ceremony, and joined with Pope Paul VI in celebrating the Mass.

Father Charbel is Lebanon's first saint, and although he has been canonized by the Roman Catholic Church, he truly belongs to all faiths. His shrine is a mecca for all Lebanese and Maronite and Catholics everywhere and hopefully with his intercession, peace will finally come to a such a beautiful country. May I submit for the RECORD the following article which appeared in the Washington Post.

LEBANESE CHRISTIANS SEE SPECIAL SYMBOL IN NAMING OF SAINT

(By Thomas W. Lippman)

BAABDA, LEBANON, Oct. 9.—For the Maronite Christians of Lebanon, this was a day of exaltation and of defiance.

Charbel Makhlouf, a 19th Century monk and hermit, became the first Maronite in history to be formally canonized as a saint of the Roman Catholic Church.

The Vatican ceremonies, conducted by Pope Paul VI, were carried live on television here and whole families gathered to see their political and spiritual leaders take part. Thousands more marched barefoot for hours to St. Charbel's hilltop monastery in a demonstration of their faith.

President Elias Sarkis, Christian like all his predecessors, joined them there in a solemn Mass of celebration.

For Lebanon's Maronites, the significance of the event was more than religious. The Maronites, Christian Arabs who broke with the Roman Catholic Church in the 7th Century and returned to it 500 years later, have proclaimed their own saints in the past, but Charbel was the first to be canonized by the Vatican.

Thus, the ceremony reaffirmed the Maronites' ties to the West that have sustained them through centuries of conflict with the Moslems who surround them. They took it as a sign of recognition by the outside world that Lebanon's Christians are something more than the trigger happy militiamen who fought the country's Moslems in the recent civil war.

The government has been criticized for its decision to televise the canonization proceedings, to encourage Lebanese to go to Rome to participate and to assist in organizing the trek to the monastery, which, critics say, has only contributed to the country's divisions. Others say that failure to acknowledge the event would have so antagonized the Christians that the results would have been worse.

In a message sent from Rome, where he assisted the Pope in the Mass of canonization, the Maronite Patriarch, Antonious Boutros Kuraish, said that Charbel's sainthood "means a great deal for the Maronite sect, for Lebanon and for the church as a whole."

He said it means "great spiritual rejoicing after the great crisis to which the church was subjected, after the loss of thousands of its children, the attacks on its churches and institutions and the smearing of its reputation."

He also said it was a source of hope that "God will not abandon the Maronite sect in the future," because of "the sacrifice of the many martyrs who preferred death to apostasy."

It appeared that a cynical Moslem observer was not far wrong when he said, "They think it shows that God is on their side."

That was certainly the atmosphere in which the ceremonies were watched here in the home of Joseph Nahme, an amateur historian who spent 40 years in Lebanon's Christian dominated army. Nahme and his wife and daughters were like American football fans cheering for their team as the Pope and their patriarch canonized Charbel while their Christian countrymen sang and prayed.

"Today, all the world can see that we are not savages," Nahme said. "We aren't fanatics. It's the Moslems who think that unbelievers are infidels and heathens. But we had the courage to fight for curselves."

In phrases that have been heard from countless Lebanese Christians during the years of religious strife here, Nahme blamed the country's majority Moslems for the trouble, saying they wanted to "massacre" the Christians. He complained that until today, the Maronites' fellow Christians in Europe and America had chosen to ignore this persecution because "Your God is Arab oil money.

This kind of thinking is not unusual in Lebanon, where the civil war ended only when the Syrian army imposed peace. No one imagines that the roots of the strife have been killed or that the bitterness of the war has faded.

Nahme's feelings are common among the Christians of Lebanon, who have continued to recruit for their militias and to solidify their control over the parts of the country they dominated during the war.

The sentiments are just as strong on the other side, among the Moslems who resent the domination of the country's economic and political life by a European-oriented minority and by their Palestinian allies who know that the Christian leadership wants to throw them out of Lebanon. The Christians' military alliance with Israel did nothing to improve relations with the Moslems.

Former President Charles Helou, Phalange Party Leader Pierre Gemayel and members of Sarkis' government were among the estimated 20,000 persons who attended the canonization ceremony at St. Peter's Basilica.

Charbel was born at Beqa Kafra in 1828, entered the Monastery of Our Lady of May-

foud 23 years later and was ordained a priest. He died at age 70 after spending his last years at Annaya as a hermit.

INFLATION TOP CONCERN IN WISCONSIN'S NINTH DISTRICT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. KASTEN. Mr. Speaker, nearly 25,000 residents of Wisconsin's Ninth Congressional District took the time this year to complete my annual legislative questionnaire.

Not surprising, inflation was considered by most people as one of the three most important issues facing the country.

As a reflection of this concern, an overwhelming 92 percent favored a reduction in Government spending even if it meant cutting back some programs they support.

As further evidence of their concern, "Government spending" ranked third among the most important issues facing the country.

Mr. Speaker, this is a clear signal to Congress to eradicate the chief cause of the continuing high rate of inflation—deficit spending. We must work to reduce spending and cut taxes.

I would like to share with my colleagues the complete results of our 1977 legislative questionnaire:

COMPLETE RESULTS OF 1977 LEGISLATIVE QUESTIONNAIRE

1. Do you support a permanent federal income tax cut, rather than a one-time $50 rebate proposed by President Carter?

	Percent
Yes	93
No	7

2. Should we reduce government spending even if it means cutting back some programs you support?

	Percent
Yes	92
No	8

3. Congressmen just received an automatic $13.000 pay raise without voting on it. Should they be required to vote on their pay raises?

	Percent
Yes	95
No	5

4. Should there be a limit on the number of years a congressman can serve?

	Percent
Yes	66
No	34

5. Do you support court-ordered busing to achieve racial balance in our schools?

	Percent
Yes	6
No	94

6. Would you favor removing government price controls on oil and natural gas produced in the U.S., if this would encourage development of more oil and gas production here at home?

	Percent
Yes	69
No	31

7. Do you support increased defense spending by the U.S.?

	Percent
Yes	45
No	55

8. Which three of the following do you consider most important issues facing the U.S. today?

(Listed in order of importance)

1. Inflation
2. Energy Crisis
3. Government Spending
4. Too Much Government
5. High Taxes
6. Welfare Abuses
7. Crime
8. Unemployment
9. Environment
10. Farm Income

CARTER ADMINISTRATION NAMES RADICAL TO $36,000 A YEAR POST

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. RUDD. Mr. Speaker, there are thousands of dedicated American citizens with spotless reputations and unswerving loyalty to our country's political and economic institutions who would qualify for an important $36,000-a-year position in the Federal Government.

However, it appears that such high qualifications and deep loyalty to American traditions and institutions are not always a key consideration for President Carter and his top advisers.

Sometimes it helps to get a job under this administration if a person has joined in burning American flags, participated in violent demonstrations, and battled against police at a Democratic National Convention, praised the Hanoi government at a time when North Vietnam was killing Americans and South Vietnamese, and espouses a radical leftist philosophy of world socialism.

This is the case in the Carter administration's recent appointment of John Froines, a member of the notorious "Chicago 7," as the first Director of the Occupational Safety and Health Administration's new Office of Toxic Substances.

Froines has a long history of radical leftist associations, which have included violent and nonviolent activities in behalf of asserted causes against American policies and institutions.

In addition to the violent assaults with the likes of Rennie Davis, Abbie Hoffman, Bobby Seale, and other leftists against delegates to the 1968 Democratic National Convention in Chicago, authoritative public sources such as the pink sheet on the left have documented that Froines has been:

A member of the "People's Coalition for Peace and Justice," an antiwar group heavily infiltrated by the Communist Party, U.S.A. He represented this group in France at the Kremlin-sponsored "World Assembly for Peace" in 1972.

A sponsor of the "National United Committee To Free Angela Davis and All Political Prisoners," a group that has been cited by the Federal Bureau of Investigation as a front of the Communist Party.

A delegate to the pro-Hanoi "National Anti-War Unity Conference" in 1973, organized by Tom Hayden and Jane Fonda following their strategy meetings with Hanoi officials in North Vietnam.

Mr. Speaker, is this the kind of person that the American people want to receive a $36,000 a year job running a key Federal Government office that affects American business and our economy? I think not.

Why has the Carter administration passed over the thousands of qualified candidates for this position, to appoint a man who according to news reports still ardently advocates a radical leftist philosophy, and most likely will use his new position to help impose unwanted and unnecessary Government regulation and interference on small businesses and employers throughout the country?

I do not believe that a man with Mr. Froines' background should have any job with the Federal Government—let alone a key policymaking position. It is my firm hope that public outrage at such an appointment will convince the administration to give this job to a suitable person.

It is also my hope that such questionable appointments will convince Congress of the need to reestablish some mechanism such as a Committee on Internal Security to maintain proper information about radical activists and groups.

Internal subversion must be closely monitored by our Government, including the Congress, and I believe it was a serious mistake when the House Internal Security Committee was abolished. As a cosponsor of House Resolution 48 to reestablish this committee, I hope that my colleagues will see the far-reaching need for our own mechanism in this area to assist us in the consideration of appropriate national security legislation, as well as of candidates for important high-paying Federal Government jobs.

CHAMBERSBURG, PA., FINALIST IN ALL-AMERICAN CITY CITIZEN ACTION AWARD PROGRAM

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. SHUSTER. Mr. Speaker, I was recently very pleased to learn that one city in the Commonwealth of Pennsylvania had been chosen as one of 22 finalists in the All-American City Citizen Action Award program conducted by the National Municipal League. That city I am proud to say is Chambersburg which is located in my congressional district.

All of the people of Chambersburg should take pride in this achievement since the city was chosen from over 470 applicants. Another unique aspect of this program was stated very well by Borough Manager Julio Lecuona:

It should be stressed the award is really given to the citizens of the town who demonstrate they can organize or meet a challenge to improve the conditions for other citizens. The application was clear in that they (National Municipal League) didn't

want to see what government was doing for the citizens, but what citizen organizations were doing for each other.

The people of Chambersburg are involved and concerned in their community and use their own initiative to solve problems rather than waiting for some government entity to take control.

I wholeheartedly congratulate Chambersburg on reaching the finals and would consider their chances excellent to win it all when the announcement is made early next year.

BILL INTRODUCED TO AID SHIP CONSTRUCTION

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. RUPPE. Mr. Speaker, today I am introducing legislation which is designed to create an incentive for series construction of vessels in U.S. shipyards. Specifically, this legislation would require the Secretary of Commerce to reduce the construction-differential subsidy rate payable under title V of the Merchant Marine Act, 1936, by 5 percentage points if the Secretary finds the type of vessel to be constructed is not a standard vessel and is not an innovative type likely to become a standard vessel; and a standard vessel could substantially serve the purpose for which the vessel is intended to be used.

The concept of series construction of merchant vessels has received the general support of the Shipbuilders' Council of America, the American Institute of Merchant Shipping, and the Maritime Administration during the marine policy oversight hearings conducted by the Merchant Marine and Fisheries Committee in the 94th Congress. The hearing record amply indicates that one of the key reasons why Swedish yards, and other Western European yards in countries having a standard of living comparable to the United States, are competitive on the world shipbuilding market is that they utilize series production.

The concept is, of course, not novel in the United States. Series construction was effectively used by our shipyards during World War II; for example, Liberty and Victory ships. Also, the Secretary of Commerce developed the C–1-, C–2-, C–3-, and C–4-type vessels, as well as the Mariner-class vessels. The Mariners are generally considered by knowledgeable experts as the finest break bulk cargo vessels ever developed in the United States and were by far the most productive and efficient dry cargo ships of their day.

I would like to point out that this legislation, unlike past efforts to promote series construction of merchant vessels, would not result in a reduction in the construction-differential subsidy rate where the vessel design is likely to become a standard design or where a standard vessel would be inappropriate for the trade route on which the vessel is intended to be utilized. Thus, the bill encourages innovation and takes into account the realities of the commercial marketplace.

PRESIDENT CARTER AND THE TRILATERAL COMMISSION: ARTICLE I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. McDONALD. Mr. Speaker, until recently, the manipulations of David Rockefeller's Trilateral Commission were the subject of concern by a relatively small number of expert conservative political analysts. The pioneering exposé of the total political indebtedness of the former Governor of Georgia to David Rockefeller and his clique of elite international financiers and corporate executives was published in 1976 shortly after the national political conventions by Gary Allen.

Chapter 6 of Mr. Allen's hard-hitting political critique, Jimmy Carter, Jimmy Carter (76 Press, 1976) entitled "The Un-Free Candidate" provided the first account of how a man with virtually no base in any political party was catapulted to the apparent leadership of the free world. The chapter follows:

THE UN-FREE CANDIDATE

Nearly a month before the Democratic National Convention followed its predetermined course, Joseph C. Harsch, featured columnist for the Christian Science Monitor, laid down a line that would be dutifully echoed by other columnists and commentators in the national press:

"[Carter] has that nomination without benefit of any single kingmaker, or of any power group or power lobby, or of any single segment of the American people. He truly is indebted to no one man and no group interest."

Undoubtedly, most of Harsch's readers—in fact, most Americans—believe every word of it. One of the few persons who knew it was a clever fabrication was the author himself.

Harsch knew that Mr. Goober is owned, lock, stock and peanut barrel, by the most powerful lobby in the country—the one organization that could truly claim to be kingmakers (and unmakers). The group is the Council on Foreign Relations, and Harsch is one of its members.

In a moment, we will document our charge that the Council on Foreign Relations, or, as it is generally called, the CFR, will be the real power behind the throne of a Carter Administration. But first some background information is necessary on this secretive combine—which Harsch himself has described as "the true core of the so-called 'Eastern Establishment.'"

For more than fifty years, the CFR has operated like the Invisible Man in the novel by H. G. Wells. Its influence could be felt everywhere, but its actual existence was seldom seen.[1] The 1650 members of this elitist organization virtually dominate the fields of high finance, academics, politics, commerce, the foundations, and the communications media in this country. As John Franklin Campbell put it in New York magazine on September 20, 1971:

"Practically every lawyer, banker, professor, general, journalist and bureaucrat who has had any influence on the foreign policy of the last six Presidents—from Franklin Roosevelt to Richard Nixon—has spent some time in the Harold Pratt House, a four-story mansion on the corner of Park Avenue and 68th Street, donated 26 years ago by Mr. Pratt's widow (an heir to the Standard Oil fortune) to the Council on Foreign Relations, Inc. . . .

If you can walk—or be carried—into the Pratt House, it usually means that you are a partner in an investment bank or law firm—with occasional 'trouble-shooting' assignments in government. You believe in foreign aid, NATO, and a bipartisan foreign policy. You've been pretty much running things in this country for the last 25 years, and you know it."

Just how powerful is the Council on Foreign Relations? Its membership includes top executives from the New York Times, the Washington Post, the Los Angeles Times, the Knight newspaper chain, NBC, CBS, Time, Fortune, Business Week, U.S. News & World Report, and many others. If you have never heard of the CFR before, it is probably because the national media—which it controls—have planned it that way. (And if those same media decide to make a peanut farmer from Georgia an overnight political sensation, they can do that, too.)

CFR members control the big name foundations which expend more money and effort on politics than philanthropy; other members dominate the "best" colleges and universities; in the business community, there is scarcely a company in Fortune's Top 100 that is not directed by a CFR member.

But the major influence of the Council on Foreign Relations is exercised in the most important public power center in the United States—the federal government in Washington, D.C. As Anthony Lukas commented in the New York Times Magazine:

". . . Everyone knows how fraternity brothers can help other brothers climb the ladder of life. If you want to make foreign policy, there's no better fraternity to belong to than the Council. . . .

"When Henry Stimson—the group's quintessential member—went to Washington in 1940 as Secretary of War, he took with him John McCloy, who was to become Assistant Secretary in charge of personnel. McCloy has recalled: "Whenever we needed a man we thumbed through the roll of the Council members and put through a call to New York."

"And over the years, the men McCloy called in turn called other Council members. . . . Of the first 82 names on a list prepared to help President Kennedy staff his State Department, 63 were Council members. . . ."

The CFR provided the key men, particularly in the field of foreign policy, for the Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, and now Ford Administrations. Indeed, the man who is probably the most powerful member of the Ford Administration (including the President) is Henry Kissinger, who has admitted that he was virtually "invented" by the CFR.[2] And Vice President Nelson Rockefeller is not only a long-time member of the CFR, his brother David is Chairman of the Board of the group. The CFR has rightly been called the "Shadow Government" or the "Invisible Government" of the United States.

What is the goal of the Rockefellers' CFR? The organization makes no bones about it. The CFR doesn't have to disguise its ambi-

[1] In 1972, my own book exposing the Council of Foreign Relations, *None Dare Call It Conspiracy*, sold over 3 million copies—although the national media never even acknowledged its existence.

[2] For the complete story of Kissinger's service to the CFR on behalf of "a new world order," see the author's previous book, *Kissinger: The Secret Side of the Secretary of State*. (1976: '76 Press, Seal Beach, Calif.)

tions because the media are not about to excite the public with exposes of it. The Rockefellers and the CFR call their "grand design" a "New World Order." This is a phrase you will hear used again and again by Rockefeller allies and hirelings.

"New World Order" is a CFR code phrase for a one-world government. As John D. Rockefeller, Sr. learned so well, when you control the government, you can control the economy. The Rockefellers have been working for five decades to control the American government so they can dominate the economy.

But, most of the Rockefellers' wealth is located outside the United States. The family has assets and does business in 125 separate countries. The Rockefeller game plan is to consolidate control over the world's economies by merging all the nations of the world under a single Rockefeller-controlled tent. Such a government would have to be a dictatorship, ruled by Rockefeller puppets or by the Communist-Third World bloc.

Since the Rockefellers' assets are spread across the globe, they long ago recognized the need to control U.S. foreign policy, regardless of whether the Republicans or the Democrats are in the White House. But to control policy, you must select the policy makers. This the Rockefeller-CFR combine has done for more than thirty years. Your only choice is between a Rockedem and a Rockepub foreign policy—whichever party is in power, the foreign policy decisions are always in the hands of dependable Rockefeller-CFR men.

What has all of this got to do with Jimmy Carter, that maverick politico from the deep South, who campaigned as a mortal enemy of the Eastern Establishment and the Washington bureaucracy?

It has everything to do with him—because the evidence is overwhelming that it was the CFR, operating as usual far behind the scenes, that "invented" Jimmy Carter for the 1976 election, as it "invented" Henry Kissinger to protect its interests under Richard Nixon.

Jimmy first came to the attention of the Shadow Government in 1970—not by winning the governorship of Georgia, but by demonstrating after the election that he could be as devious and dishonest as any New York banker. By the time his face appeared on the cover of CFR-controlled Time in 1971, some very important people were watching him with interest.

In late 1972, a Harvard professor named Milton Katz received a telephone call from "the grand old man of the Democrats," W. Averell Harriman. Harriman, whose service to internationalism dates back to 1922, when he helped arrange some crucial financing for the Bolshevik conquest of Russia, called Katz's attention to a rising young southerner, Jimmy Carter. CFR-member Harriman knew that fellow-CFR-member Katz had important connections: as a director of the Ford foundation, the World Affairs Council, the World Peace Foundation, and chairman of the Carnegie Endowment for International Peace (four of the most important groups in the country promoting one-world government), Katz could certainly help a deserving young man get ahead.

Katz delivered like a slot machine hitting the jackpot; he arranged to introduce Carter to David Rockefeller. The talented Rockefeller, who is chairman of both the CFR and the ultra-influential Chase Manhattan Bank, has been called the most powerful man in the world.[3] It was an auspicious moment for the Georgia crackerjack.

In the fall of 1973, David invited Jimmy to have dinner with him in London. Over the hors d'eouvres, David asked Jimmy to become a member of the Trilateral Commission—an important new group David was forming to promote world government. By the time dessert was served, Jimmy had agreed to come on board. The Trilateral Commission in another CFR front (over half of its 65 North American members also belong to the CFR); its purpose, according to Rockefeller, is "to bring the best brains in the world to bear on the problems of the future"—which is Rockespeak for the creation of a World Government.

The founding Director of David's Trilateral Commission was Dr. Zbigniew Brzezinski; he is, of course, a member of the CFR. If you find his name hard to pronounce, we suggest you practice it—for by 1976 Brzezinski had emerged as Carter's chief adviser on foreign affairs and the odds-on favorite to dictate U.S. foreign policy in a Carter Administration. Henry Kissinger has called Brzezinski my "distinguished presumptive successor," and admits that Carter's foreign policy pronouncements are almost carbon copies of his own. If you like Kissinger, you'll love Brzezinski!

Brzezinski, with Carter's blessing, assembled quite a team for the Boy Wonder from Plains. As reported in the June 24, 1976 issue of the Los Angeles Times, here are Carter's key task force members and foreign policy advisers: Zbigniew Brzezinski of Columbia University; the United Nations' major American propagandist, Richard N. Gardner; Richard Cooper of Yale University; Henry Owen of the Brookings Institution, an Establishment "think tank"; Edwin O. Reischauer, former U.S. Ambassador to Japan; retired diplomat W. Averell Harriman; Anthony Lake, a former aide to Henry Kissinger; Harvard professors Robert Bowie, Milton Katz, and Abram Chayes; former Undersecretary of State George Ball; and, former Secretary of the Army Cyrus R. Vance. It would be worth noting if Carter tapped even three or four CFR insiders to help him. But every person on the list is a member of the Council on Foreign Relations!

As Newsweek magazine reported on June 21 of this year, Jimmy Carter is far from being an opponent of the Liberal Establishment:

"Despite the anti-Washington tone of his campaign, a surprising number of Carter advisers are old Washington hands. Joseph Califano, a top LBJ aide, and Theodore Sorensen, JFK's close adviser, will recommend appointments to a Carter Administration. Johnson's former Secretary of Defense, Clark Clifford, will advise the reorganization task force. Other counselors come from Washington's Brookings Institution (frequently referred to as the Democratic government-in-waiting) and that epitome of Eastern establishmentarianism, New York's Council on Foreign Relations."

By this time, we hope you will not be surprised to learn that Califano and Sorensen are CFR members. And while Clifford is not, his Establishment credentials are otherwise impeccable.

But the above list is by no means complete. Added to it should be the names of such major Carter advisers and supporters as: Bayless Manning, president of the CFR; SALT negotiator Paul Nitze; LBJ adviser Paul Warnke; Richard Holbrooke, editor of Foreign Policy magazine; former Air Force Secretary Thomas K. Finletter; Michael Forrestal, a lawyer for big New York investment firms; Alexander C. Trowbridge, Jr., a former Esso (now Exxon) executive who, as Commerce Secretary, helped open the floodgates for shipping strategic goods to the Communist bloc on credits guaranteed by Washington; Gerard Smith, onetime chairman of the Arms Control and Disarmament Agency; and Yale law professor Eugene Rostow. Every single one is a member of the CFR.

Other CFR members who have helped make Jimmy what he is today include those early contributors to his campaign, Dean Rusk, C. Douglas Dillon, Henry Luce, and Cyrus Eaton, Hail, hail, the gang's all here!

Syndicated columnist Paul Scott, one of the few reporters with the courage to blow the whistle on the Rockefeller-CFR combine, confirmed Carter's close working relationship with the insiders' Godfather, David Rockefeller, in this July 7 report:

"Most intriguing political connection of former Georgia Governor Jimmy Carter is his relationship with international banker David Rockefeller, one of the most influential men in the world.

". . . Carter was picked several years ago to serve on the Trilateral Commission, which was organized by Rockefeller to study problems of common interest to the U.S., Western Europe, and Japan.

"The first director of the Commission was Zbigniew Brzezinski, a long-time associate of the Rockefeller family and now Carter's number one foreign policy adviser.

". . . Friends of Brzezinski describe him as close to David Rockefeller as is the present Secretary of State Henry Kissinger to David's brother, Vice President Nelson Rockefeller."

David Horowitz, author of *The Rockefeller Dynasty* and a reporter with a solid-brass Liberal credentials, has said that the interconnection of Rockefeller, Brzezinski, and Carter is "very close." Yes, the Carter bandwagon runs on Standard Oil, not peanut oil. He and Rockefeller are as close as two peanuts in a shell.

With friends like these, it is possible to arrange all sorts of amazing "coincidences." Does the CFR want their man to get more attention in the media than any other candidate? Simply turn on the spigot, and paens of praise to Smiling' Jim roll off the presses.

Want to show how it is possible to butter both sides of a peanut at the same time? Voila! You have Leonard Woodcock, dictatorial chief of the United Auto Workers, and Henry Ford II, the creme de la creme of big business, both endorse Carter on the very same day. (But please don't reveal that Woodcock and Ford are both members of the CFR, or that Woodcock also shares a seat with Carter on the Trilateral Commission. You don't want to give away the game, do you?)

Need a Vice President to go with him? How about a leftist Senator from Minnesota who is a member of both the CFR and the Trilateral Commission? When the envelope is opened, out pops Walter Mondale.

Jimmy Carter has been picked by the powers-that-be as their man to ride the wave of the future. To make sure he keeps his surfboard headed in the right direction, they have already surrounded him with veteran campaigners in their march to a New World Order. And Jimmy is proving he is a very willing recruit.

It is no coincidence, therefore, that Carter's two major foreign policy addresses during the primary campaign were both delivered to CFR front groups—the first, before the Chicago Council on Foreign Relations in March; the second before the Foreign Policy Association in New York in June. In both speeches, Carter repeatedly used such CFR code phrases as "a just and peaceful world order" and "a new international order." Those good ol' boys back in Georgia might not have known what was going on, but you can be certain that the makers and shakers in New York, Washington, and a dozen foreign capitals realized precisely what signals were being flashed to them.

James Reston of the New York Times, who is probably the top media insider, said it was "reassuring" to hear young Jimmy echoing "the basic theme of Woodrow Wilson

[3] For the complete story of the Rockefellers' incredible power, influence, and ambition, see *The Rockefeller File* by this author. (1976: '76 Press, Seal Beach, Calif.)

and the League of Nations, of Roosevelt and Truman at the founding of the United Nations in San Francisco. . . ." It was the same old shell game; only this time it was being played with peanuts, not walnuts.

Conservative columnist Jeffrey Hart saw the shells being switched, but even he didn't realize how thoroughly we marks are being suckered:

"In the primaries, (Carter) ran as a critic of the establishment and of the Washington bureaucracy. He was a totally unfamiliar figure, and he seemed to represent the South, including the Sun Belt. As he rolled on toward the nomination, he gave the inhabitants of the Cambridge-New York-Washington axis some sleepless nights. They know now that he is going to save their bacon."

Carter's speech at the United Nations on May 13, declaring that "Balance of power politics must be supplemented by world order politics;" his comments before the Chicago Council on Foreign Affairs condemning "the strident and bellicose voices of those who would have this country return to the day of the cold war with the Soviet Union;" his pledge to the Foreign Policy Association in New York to work for "a just and peaceful world order;" Dr. Brzezinski's declaration to Democratic Congressmen that "We have to establish some sort of global equity"—such messages were more welcome to the audiences they were addressing than an interest-free loan from Chase Manhattan Bank. Needless to say, this is hardly the rhetoric of a Georgia goober-grower who just happened to be visiting a big Yankee city.

The few foreign-policy specifics that Carter has expressed could have been written in the New York offices of the CFR. (In fact, they probably were!) He has said, for example, that he would remove our troops from Europe and Korea, strengthen the United Nations, promote international controls of all atomic power, yield "part" of our sovereignty over the Panama Canal, kill the B–1 bomber, slash $5 to $7 billion from our defense budget, and increase foreign aid.

The accent may come from Georgia, but the words are straight from the CFR.

Only a select handful of insiders are supposed to get the message, of course. The fodder that has been prepared to keep the rest of us sheep happily munching, while we're herded into a Rockefeller-CFR world government corral, comes cleverly disguised.

The following editorial from the Scripps-Howard newspaper, the Fullerton Daily Tribune, is typical:

"Rarely has a politician rocketed from obscurity to capture a presidential nomination as has Jimmy Carter, lately an out-of-office peanut farmer in Plains, Ga., and now the morning line favorite to win the White House.

"His feat is all the more remarkable in that he did it with only a small band of disciples in Atlanta and without early help from Democratic party power brokers—congressional leaders, governors, big city mayors, labor chiefs, and wealthy contributors.

"As a result Carter is unusually free of obligations, owing as he does his nomination mostly to himself. "Nobody has hooks in Carter," as the politicos put it elegantly and thus if elected, his policies would be set by his own desires and conscience."

Sure. There is about as much chance of James Earl Carter, Jr. double-crossing the Establishment that has made him, as there is of Richard Nixon winning a clean government award. And if, for some reason, the peanut politico does decide to switch sides once again, he will learn—as have other politicians before him—how quickly the Shadow Government can turn a proud peacock into a discarded feather duster.

WHAT IS HENRY REUSS UP TO?

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Ms. OAKAR. Mr. Speaker, yesterday I placed in the RECORD the first installment of an interview with HENRY REUSS that appeared in Nation's Cities. Today, I would like to place in the RECORD the second part of this interview.

The efforts of HENRY REUSS are an inspiration to all of us who are concerned with the resurgence of America's great cities.

Article from Nation's Cities (October 1977) follows:

WHAT IS HENRY REUSS UP TO?—PART II

Nation's Cities: At the Rebirth of the City hearings last fall before the full House Banking Committee, there was expressed the strong opinion that at the root of the urban problem, as it is generally described, were race and income. Was that your feeling from those hearings?

Reuss: I hesitate to come down on any one problem as the sole or even as the principal cause. Certainly, I don't think race is the problem. Poverty is a problem, and many blacks are poor. I wouldn't call that a race problem. Many whites are poor and live in cities, too.

And some of those most disadvantaged in cities aren't so poor at all; they're the lower middle class who suffer from the fact that they get none of the benefits but bear all of the burdens.

The reason why pockets of poverty and unemployment dog the cities is that the federal government has not lived up to, and is still not living up to its obligation to see that every man and woman willing and able to work has an opportunity to do a job.

In fact, since last November, while general unemployment has gone down, happily, by a full percentage point from 8 percent to 7 percent, unemployment among black women and unemployment among black teenagers has not only not gone down, it's actually gone up. We must do something.

FDR, it should be noted, two weeks after he was inaugurated in 1933 started a Civilian Conservation Corps, which became law 10 days after he introduced it. And two weeks after that, 500,000 young men were at work doing useful things. In that case, most of it was out in the countryside. Here the majority of useful things need to be done right at home in the cities making them livable once again.

And there is no reason under the sun why we shouldn't immediately embark upon such a program. No reason other than the torpidity and languor of some of the bureaucracy, particularly the Department of Labor; which, not having done anything for these many years, wants to continue not doing anything.

N.C.: On a different issue, we see the regional disputes growing and growing, and, of course, from the point of view of the cities, this is rather complex. The National League of Cities does not represent northern cities or southern cities. It represents all the cities of the nation.

Do you see beneath that regional fight a reality of problems that are in part attributable to Federal actions and can be remedied? Or do you see in that dispute a working out of what might be described as natural trends that should be allowed to work out? Or do you see it as a journalistic smoke screen of this year?

Reuss: Well, I see it in terms of everything that you've said and something else, too. Last summer I was one of those who founded the Northeast-Midwest Congressional Coalition, which is now in full cry trying to redress the imbalance seen in the older and colder sections of the country that is losing jobs, losing populations, losing income, growing obsolescent.

I in fact do not agree with those of my colleagues from the Northeast and Midwest who sometimes sound as if they wanted to start another war between the states. This should not be a war between the states.

I believe it's desirable to revisit all the formulas in our various aid programs. We have done so in the case of the community development block grant, and I think it has been useful.

And, incidentally, the Congressional Budget Office is going to make a report to us, which we will then issue as a committee print, analyzing all of the formulas and all of the federal grant programs and making observations as to whether they can be made fairer.

While I believe that formulas should be reexamined and programs fixed up where they tend to be unkind to the Northeast and Midwest, nevertheless, here again, I think, the main problem is undoing wrong-headed things that the federal government has been doing. For example, there's no reason whatsoever why the federal government should, as it now does, give a subsidy through tax-free industrial revenue bonds to a community, which, let us say, is in the sunbelt and has zero unemployment in order to pirate away from a New England or Midwest community or Middle Atlantic community an industry that is desperately needed to provide jobs for the people who live there.

Certainly our governmental intervention ought to be neutral. I'm not saying that we should have an expensive program for pirating them back from the South. I wouldn't suggest that. Equally our Economic Development Administration—I think it's in the process of change under Secretary Kreps—has to much too great an extent fostered new development in new areas at the expense of modernizing and rejuvenating the older and colder places.

So I think that what we need is not a dog-eat-dog war between the states, but an attempt to revise and revisit our existing programs so that people who need help wherever they are can get it, and jobs, wherever they are needed, can be fostered. We should not continue to run with programs that have long since outlived their rationale, if they ever had one.

N.C.: Do you think there will be a great deal of stress on this matter over the next couple of years?

Reuss: Yes. I think that the Northeast-Midwest coalition has a reason for being. And it needs to stick to its guns in this connection.

Another upcoming hearing in the next few months concerns the loss of population in our cities, and this mainly means Northeast-Midwest cities. The question we would want to ask in those hearings is, how does the city grow old gracefully?

It may well be that some of our big cities are too big. Very well, how do they adjust themselves to new circumstances of life in a way that prevents acres of wasteland, boarded-up buildings, arson, and a tax base that declines while service needs grow?

N.C.: Certainly in the '60s you would have gotten wide agreement that many cities should be smaller. Now we find reduced population seems to create worse problems.

Reuss: That's because the reduced population hasn't been accompanied by adequate attention to how you live with a reduced population and still produce a good civil life.

That would be the purpose of our hearing. Obviously a city like Detroit, which has concentrated on the auto industry, is going to have to do some deep thinking. A city like New York, which increasingly finds a polarization between it and the neighboring states of Connecticut and New Jersey, is going to have to do some rethinking.

But there is no reason why, for example, American cities can't do what Vienna did. Vienna was the capital of the Hungarian empire, which, with the fall of the Hapsburgs, ceased to exist.

But today, Vienna has adjusted to a smaller population in the most genial and jocund fashion and yields a very happy life to its people including visitors such as myself.

N.C.: Won't that be a tremendous adjustment for this country? I sense that many would view that to be defeat.

Reuss: It will be a tremendous adjustment, and, therefore, the sooner we start thinking about it, the better, and that is why we're scheduling hearings on it. I certainly have the view right now that a smaller population needn't be a defeat and that a New York City with a million less people than it had boasted of in its prime, but with more open space and with a more humane life style, would be a lot better than it was before. You don't, for instance, solve the problems of Detroit, with all due respect to the city fathers there, by building a Renaissance Center. If that's all they're going to do, it isn't going to work because beyond the Renaissance Center lie square miles of ghetto that are untouched. Beyond it lie office buildings whose economics have been knocked galley-west by the construction of the Renaissance Center so that while the Renaissance Center may well be a glorious component of an overall plan, here it's a component of nothing. It's a free-standing entity and does not really, in my judgment, make contact with the problems of Detroit.

Sure, it's very fine that Ford moves in white-collar employees from the suburbs to the Renaissance Center. But what happens to the suburb? What is Detroit doing about its future?

I don't mean to pick on Detroit, but here is an American Vienna that ought to be considering how it can grow old gracefully.

N.C.: On the issue of declining population, one of the problems seems to be that the decline is uneven. It is not simply reduced numbers, but it is a different mix, primarily of income. It is the standard story of the relatively well-to-do leaving, the relatively poor remaining, and the concentration then of the problems and the burden on services that is too great for the resources.

What can be done, or what ought to be done, to address that problem? One school of thought argues that there needs to be a balanced population and thus a return of the prosperous to the central city.

The other argues that there need to be policies that will make those people who are poor prosperous. The outcome for the territory would be the same, but for the people involved, quite different.

Reuss: Well, I think they are both right. I can think of about four things that need examination here. You're quite right, of course, that the population evolving out of the central cities, particularly in the Northeast and Midwest, has been uneven, and to a large extent it has been the affluent who have departed.

I think there are several things that ought to be looked at. Number one is something I've mentioned several times already. To what extent have existing laws and customs accelerated this instead of just remaining neutral?

Of course, this is a free country, and the affluent may move wherever they want, and I would not stand in their way. But it is also true that the highway system; the system of liberal FHA mortgages; the system of revenue sharing, which gives some money to fairly well-off suburbs; and the system of home-ownership tax deductions, which basically benefits just the top one-quarter of the population because other people take the standard deduction and don't get that benefit—all of those things ought to be looked at to endeavor to get to a position where public policy is at least neutral about whether they opt to leave the city or not.

Second, as you have suggested, we ought to move vigorously to bring jobs and economic activity, blue collar and white collar, back to the city. That means the revival of the neighborhoods; that means some sort of method of getting equity capital—some public, some private—into city neighborhoods so that blue-collar and white-collar jobs improve and increase.

Third, you can take some of the curse off the affluent leaving if you have decent arrangements for metropolitan fiscal burden sharing. For instance, in metropolitan Minneapolis-St. Paul, as we all know, there is an excellent law that says that 40 percent of the increase in revenues of the metropolitan area shall inure to the benefit of people throughout the region on a per capita basis. That means that Minneapolis and St. Paul get a little help when somebody puts new tax values on the books out in one of the suburbs.

So some solution to the metropolitan fiscal mismatch is needed. I'm not saying do in the suburbs, I'm saying just the opposite. Suburbs are neighborhoods, and I'm for neighborhoods and want them to continue. But there ought to be fiscal equalization to the maximum extent within our metropolitan areas. And it's the real sin of the states that though sovereignty is lodged in them, they—with a few honorable exceptions—have done nothing about it.

Fourth, I think that if it is done properly, the return of some of the affluent from the suburbs to the cities is a good thing. It saves energy if they're white-collar workers and can walk to work instead of drive 40 miles every day. And it will help on the tax base though I think there are better ways to handle the tax base problem, as I've just mentioned.

From the standpoint of energy saving alone, it's a good idea to have white-collar people who work in the city live in the city. But if you're going to do that, if you're going to encourage the building of luxury apartments and townhouses in the city, if you're going to encourage individual rehab-ers to upgrade Dupont Circle or Capitol Hill in Washington, or similar areas in a score of cities around the country, you're going to, in my judgment, have to accompany that movement by at least two things.

One, the city or the state—I really think it's the state that ought to assume responsibility for it—is going to have to see that every low-income person has a place to go when the house in which he is living is bought by some affluent person who comes in and wants to rehab it and make a $100,000 house out of a $10,000 house. You're going to have to see that a person's housing needs are very well taken care of at a rent or at a price he can afford. And that takes some doing. But there are the tools in Section 8 and other programs to do it.

Second, you're going to have to have some change in tax philosophy by the localities if a poor person who stays in his humble home, or humble small business, near where a big rehab movement by the affluent is taking place, finds that his tax valuation is raised by the local assessor on the grounds that he now lives in a classier neighborhood. That is not going to work.

Somehow or another you're going to have to see that that poor person gets tax treatment similar to what he had before the powers and principalities moved in on him.

N.C.: You mentioned equity capital. There are floating around a variety of proposals like the urban development bank that are calculated to attract investments into cities where investment has not occurred or where disinvestment has occurred. Is the simple creation of a financing mechanism like an urban development bank likely to meet the capital needs of older cities?

Reuss: Well, part of the trouble with the existing urban development bank proposals we hear about is that they are so loosely formulated that they conjure up huge bureaucracies, opportunities for political shenanigans such as clouded the last days of the Reconstruction Finance Corporation, and there is imprecision, to say the least, as to what they're supposed to do.

I think that I would like to see three things. First, I would like to see enacted the consumer cooperative bill, a very modest measure but useful and neighborhood-oriented, which has now been favorably reported out by our Banking Committee and just got a rule from the Rules Committee the other day.

Second, I think that the willingness of the banking industry—the financial industry generally—to contribute to the provision of longer-term capital to central-city economic effort ought to be much better tested than it has been. I think that it may be that wiser treatment of our financial institutions can get a lot of run for our money out of them.

Third, however, I think that some kind of a very carefully calibrated urban development bank, federally sponsored and rather lean in its administration, could do some good.

N.C.: A brief and final question. As I recall in the original enactment of revenue sharing, you advanced a variety of reform proposals to be attached to it. Are you still disposed that way?

Reuss: Yes, I think we would be well along the road toward viable cities if we had done what I had unsuccesfuly urged we do in 1970 when we passed the revenue sharing bill and what we tried to do again in 1976 and failed to do when we renewed it—namely, tell the states that they will get their revenue sharing widow's mite if, and only if, they make an effort to put forth a long-term plan for helping and saving their cities.

The states' record, it seems to me, is the shabbiest of all three of the levels of government. I haven't given up yet on seeing if we can do something about that.

SHIRLEY MULDOWNEY—FIRST WOMAN IN RACING

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. BONIOR. Mr. Speaker, I would like to bring to the attention of my colleagues the achievements of an outstanding female athlete. This woman, who I have the pleasure of calling my constituent, has made it to the top in a field of endeavor which has been dominated by men from the beginning. Her achievement is considerably greater because she competed, not in a special woman's division, but against the best men in the sport.

The woman is Shirley Muldowney and her achievement is the 1977 national title

in the National Hot Rod Association, NHRA, top fuel dragster class. Ms. Muldowney is the first woman to ever win that title.

But this title is not Ms. Muldowney's first first. Shirley was the first—and only—woman in the United States licensed to drive a top fuel dragster—the fastest of all dragsters, the first woman to reach the finals in a National Hot Rod Association professional category, the first woman to break the 5-second barrier, the first woman to win a NHRA national event in a professional category and the first woman to break the 250 mph barrier.

Beyond these firsts, Shirley has held the record for the fastest drag racing speed ever—252.10 mph—and has once broken her own speed record. Shirley's record itself has since been broken by Jerry Ruth but Shirley can still lay claim to the title of the "world's fastest woman in racing."

Shirley's title means a bit more than the glory of a championship; for her it means she will get a chance to spend more time with her family. In her own words,

It'll mean I'll take off at least one weekend a month without feeling guilty.

Ms. Muldowney should be a source of inspiration to both men and women for her ability, her courage and her simple determination have brought her to the top.

NEW CITIZENS AT HICKEY-FREEMAN COMPANY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. HORTON. Mr. Speaker, with the complete cooperation of the District Director of Immigration and Naturalization in Buffalo, N.Y., Mr. Benedict Ferro, the citizenship training for Hickey-Freeman aliens was held for the fifth consecutive year. This citizenship training was operated under the auspices of New York State continuing education for adults program under the direction of Stephen D'Agostino. Classes were held on Mondays and Wednesdays from 4:30 to 6:30 p.m. in the Hickey-Freeman cafeteria. By holding the classes in the plant, candidates were able to complete their full day's work without the need for extra travel to an evening school. The teacher for this year's program at Hickey-Freeman was Mrs. Frances Fox.

The names of those persons who were sworn in at the ceremony are:

Francesco Mastroberardino, Concetta Carmela Mastroberardino, Leonardo Pagani, Maria L. Pagani, Maria P. Pagani, Raffaele Parisi, Carmela Callerame, Olexa Charczenko, Nadia Charczenko, Maria Fesik, Archip Fesik, Vincent Vella, Giuseppe Morici, Fina A. Russo, Filippo Sampognaro, Raffaele Telaro, Armando Meli, Concetta Cavallaro, Bartolo Alleto, Fernando A. Sanrocco, Rosa Terranova, Giovanna Ferrauto, Maddalena Dell'Olio, Gisela D'Agostino, Federico Formica, Rosa Visconti, and Dorotea Arbore.

These 27 future citizens took the oath of allegiance before Supreme Court Justice Wilmer Patlow. Speaking to the group of candidates was the Honorable Supreme Court Justice Robert Wagner.

Mr. Speaker, Americans must never forget that our land grew to greatness by being the land of hope and opportunity for peoples from around the globe. It is heartening to me that the melting pot process continues today in my home community of Rochester. I am certain that my colleagues will join me in congratulating these fine new citizens on their achievement, and in welcoming them to full participation in our American system of free and democratic government.

TRIBUTE PAID TO CHARLES MARSHALL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. SIMON. Mr. Speaker, Ed Darby, the financial editor of the Chicago Sun-Times, wrote his column recently about Charles Marshall, the president of the Illinois Bell Telephone Co., who grew up in Greenville, Ill., which is in my district.

We are proud of the new president of Illinois Bell Telephone, and I am inserting it into the RECORD, not only because of that but because the column touches upon some of the issues that we are discussing in Congress these days.

I hope my colleagues will read the column.

[From the Chicago Sun-Times, Sept. 30, 1977]

WHY PHONE BILL MAY GO HIGHER

(By Edwin Darby)

Like everyone else Charles Marshall knows he is in the hole when he looks at the statistics on the increase in the cost of living. Only the pain is double for him.

Marshall has been president and chief executive officer of Illinois Bell Telephone since April 1977. He arrived in Chicago from New York City where he had been treasurer of parent-company AT&T only a month before the Illinois Commerce Commission handed down a decision that was most painful—for Illinois Bell.

In July, 1976, the telephone company had asked the commission to approve a package of rate increases on a variety of telephone services that would have netted Bell additional revenues of $110 million a year. Eleven months later the commission told the company it was entitled to increases that would generate only $8.9 million a year.

Now, after six more months of inflation, Marshall has concluded that the only answer for Illinois Bell is a general increase in basic telephone rates.

"The only major problem our company has here in Illinois," says Marshall, "is inflation. We can live with an inflation rate of 2½ to 3 per cent a year. We can live with that kind of inflation because we expect to achieve an increase in productivity through technology, modernization, smarter management and greater contributions from our people that will keep us even. Our record on productivity increases is excellent. Our gains are often double the national average.

"Anytime you are in a monopoly position—and we are not nearly the monopoly we used to be—you ought to do everything you possibly can to hold down prices. But an inflation rate double that 2½ to 3 per cent is not tolerable for us without rate relief. Illinois Bell has not had an increase in basic telephone rates in 3½ years and in May the commission denied our request for such things as an increase in the rate for a home telephone extension. We had asked to increase the rate from 95 cents to $1.25 a month. More than a year ago Ohio Bell was given permission to go from 90 cents to $1.20."

Marshall is not at all abashed by last week's AT&T announcement that Bell System profits in the first nine months of this year totaled $4.3 billion. "We simply have to have earnings on that order and better when you consider our investment base and our needs for new investment," Marshall says.

These are home truths for Marshall. He was born in Vandalia, Ill., and grew up in Greenville, a town (then) of 3,000 in southwestern Illinois. His grandfather homesteaded in that country in the 1880s and when Marshall was a child the family farm was on a party line shared by 16 families. It pleases Marshall that nearly 97 per cent of Illinois Bell subscribers now have single party service.

Marshall is also directly familiar with what lack of capital can mean. What he wanted to be as a young man was a farmer like his grandfather and others in his family. His father, a part-time farmer, worked for the Federal Land Bank appraising farmlands for farmers who needed to borrow money. In 1952 Marshall was "farming some bottom land on shares," the "family had just graduated from mules to an inexpensive tractor," and "didn't have the capital to buy the machinery we really needed." In late summer, 1953, Marshall, who had a degree in agriculture from the University of Illinois, spent the early morning hours one day combining wheat and then took off for Chicago to apply for a job with Illinois Bell, having decided there must be a better way. In November that year, after the harvest was in, he went to work for Bell in Chicago as a service engineer. A more accurate title might have been salesman. Marshall spent his time trying to convince service station owners that there was profit for them in installing a coin box telephone.

In the next 23 years, Marshall and his family (a wife, two daughters and two sons) moved 14 times as Bell moved him up the executive ladder.

When Marshall says the Bell System was once more of a monopoly than it is now he is expressing more than a little regret. Bell's standard service and rates for residences and businesses have been threatened particularly, he says, by the entry of the microwave relay people into the business of providing private, leased wires between major cities for corporations. "We no longer have any of the private line business between Chicago and St. Louis," Marshall says, "These competitors move in, use our technology, cut prices below our regulated rates, skin off the cream and leave us with the problems."

PANAMA CANAL: GIVEAWAY OR MAIL FRAUD?

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. MAZZOLI. Mr. Speaker, every office on Capitol Hill is deluged with preprepared telegrams, post cards, and mimeographed letters as each controversial issue comes before the 95th Congress.

Every Member encourages his or her constituents to write or send messages on matters of concern. We are all pleased to receive these comments. We learn much from them. They help us cast thoughtful and accurate votes.

However, a situation has come to my attention which causes me to wonder how many of our constituents actually sign, authorize, or even know anything about the communications arriving in our offices over their names.

I recently got a letter from two constituents who complained about having received a response from me on the Panama Canal treaties. My constituents stated they had not contacted me on the subject.

As it turned out, these folks had not written me. Yet I—and other members of the Kentucky delegation—received mimeographed letters with their names signed thereon. A check of my files reveals that other letters I have received on the canal treaties question appear to be signed in the same handwriting.

These deceptive and misleading communications undermine the credibility of all of the post cards, telegrams, and mimeographed letters which reach our offices. If such mailings are unreliable, how are we to gage accurately the public's position on the pressing issues of the day?

My purpose here is to alert my colleagues to the questionable tactics which are apparently used by some to generate mass mailings.

I would be interested in knowing whether any of my colleagues have encountered an experience similar to mine.

CIVIL RIGHTS ENFORCEMENT

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Miss JORDAN. Mr. Speaker, on September 27, 1977, Congressmen EDWARDS and DRINAN and I introduced H.R. 9329, the Federal Assistance Equality Act of 1977. At that time, I stated that the bill was introduced to focus debate on current enforcement of title VI of the Civil Rights Act of 1964 and the organizational structure used to coordinate enforcement.

During the same week that my bill was introduced, the Department of Justice's Civil Rights Division sponsored a comprehensive 3½-day Title VI Conference—September 26–29—here in Washington. Invitees included not only Federal agency personnel and U.S. attorneys but distinguished members of the public interest community as well. Some 300 people attended coming from as far as California. I was pleased to have been able to contribute to this effort by serving as a keynote speaker.

The conference was the first such meeting of the title VI community since 1966 and its success can be largely attributed to the vigorous leadership of the new Assistant Attorney General for the Civil Rights Division, Drew S. Days, III. Mr. Days' credentials are well known to the civil rights community. Before entering Federal service, he was first assistant counsel to the NAACP Legal Defense and Educational Fund, Inc. in New York City from 1969 until his nomination.

I want to share with those who will be considering my bill, H.R. 9329, Mr. Days' thoughtful and informative opening statement of September 26, 1977, to the conferees. It demonstrates his commitment to insure affirmative action in title VI enforcement.

His statement follows:

SPEECH BY DREW S. DAY III

I welcome you to this conference and ask that over the next several days we forge a partnership to ensure that federal dollars are no longer used to support programs that discriminate on the basis of race, color or national origin. In this regard, affirmative action requirements attach to each application for federal assistance that is placed upon the desk of a federal official responsible for passing upon it. We must start by assuring that each such person is trained to ask the right questions. Such questions should be extended beyond the pre-award stage to include post-award reviews as well.

In order to accomplish this, meaningful data and information must be collected so that disparities in the delivery of services on the basis of prohibited discrimination can be identified. For example, agency program guidelines should require information that serves to define the population eligible to be served, by race, color and national origin. On the subject of program guidelines, by now each agency should have guidelines that describe such things as the nature of Title VI coverage, methods of enforcement and examples of prohibited practices in the context of the particular type program. With regard to public dissemination of Title VI information, where a significant number or proportion of the population eligible to be served needs service or information in a language other than English, such service should be provided. As counsel for HEW, we litigated such a need for that type of service to be provided to Hispanics by the Connecticut Welfare Department, a case recently affirmed by the Second Circuit.

Turning back to our regulations, I want to remind you that every six months each federal agency is required to report to me, as Assistant Attorney General, the receipt, nature and disposition of all Title VI complaints filed with that agency. Additionally, federal agencies are required to notify me when after a finding of probable noncompliance, negotiations have continued for more than sixty days. In that instance, notice to me is to include the reasons for the length of the negotiations.

I realize that to some extent the change in Administration with its attendant delays caused by the natural process of selecting new people for sub-cabinet positions has slowed down agency efforts somewhat. However, by now we should be prepared to quicken our efforts in this area and if there is one thing that I have become increasingly aware of in my job it is the extent to which Title VI enforcement has been neglected over the years.

Perhaps the most basic requirement of our Title VI coordination regulations is that each federal agency subject to Title VI shall develop a written plan for enforcement which sets out its priorities and procedures. This plan is to be available to the public. It is my hope that this conference will serve to assist in expediting the development of such plans for each agency in attendance here.

On July 20, President Carter sent a directive to the heads of executive departments and agencies listing Title VI enforcement as a high priority in this Administration. His message is clear and I quote:

"This means first that each of you must exert firm leadership to ensure that your Department or Agency enforces this law."

As you know, the Attorney General is responsible for the coordination of the Title VI enforcement effort of the Executive Branch. Last July's Presidential directive reaffirmed the Attorney General's authority to provide central guidance in this area and this conference is designed to implement that responsibility. The workshops listed in your agenda are the result of numerous meetings with personnel from various agencies in an effort to cover a broad range of topics that commonly concern us. Those workshops will enable us to both put finishing touches on that portion of our Title VI draft Manual that you now have, and at the same time, obtain the additional information necessary to expand it into those areas listed in the outline that you have been provided. We have included experienced persons from the public interest bar on various of our workshops whose comments we know will be both useful and provocative.

When efforts to obtain voluntary compliance fail, we must stand ready to apply the sanctions provided by law. Such sanctions are either to proceed by administrative hearing or to refer the matter to the Department of Justice for possible suit. We stand ready to assist agencies in making such determinations.

Within the Civil Rights Division, the Federal Programs Section is assigned the responsibility for Title VI enforcement. Those agencies that have already been selected for reviews by personnel from that Section know that a concerted effort is being made to effect constructive changes. It is our intention to implement the recommendations contained in our interagency survey reports by continuing to effect Memoranda of Understanding with those agencies reviewed. Generally, I have been quite pleased with the cooperation that those agencies have afforded us in this regard during these first eight months since I have arrived. If, however, I am advised that in a particular instance, negotiations have broken down, then if appropriate, I shall recommend to the Attorney General that pursuant to his authority, he issue a directive to such agency. In other words, it is our intention effectively to police our own efforts in the area of Title VI enforcement rather than await federal officials being turned into would-be clients of the Justice Department by my former colleagues in the public interest bar. It is our intention to be much more than reactive, we intend to stimulate action.

It is important that through our efforts this week, we take steps to assure that federal assistance programs are administered in a consistent and fair way. We are working closely with the Office of Management and Budget to develop a joint plan of action in this regard. At the same time, it is necessary for us to examine the subject of interagency delegation agreements and I am particularly pleased that there will be a workshop on that subject.

Tomorrow morning, we have scheduled a workshop that will include a discussion of the kind of evidence necessary to justify a suit based either on services discrimination or covered employment. In this regard, I want to make it clear that as a matter of policy we will continue to require that goals and timetables be a necessary part of any court settlement in which the United States is a party. Without such benchmarks, it is impossible to monitor effectively the quality of a recipient's efforts to implement an agreement. With regard to services discrimination, we will continue to require that a plan to

equalize services be part and parcel of our settlements. For example, earlier this year a court approved equalization plan regarding the provisions of municipal water and sewerage to a City's black community was filed as a matter of record in Folkston, Georgia.

I have seen estimates that indicate somewhere between 65 to 70 billion dollars a year are disbursed to recipients covered by the provisions of Title VI. We will have a more definite view of the specifics as to the exact number of federal programs involved after agencies have all succeeded in supplementing their Title VI regulations with an appendix listing the types of federal financial assistance (including specific reference to statutes) to which those regulations apply. Such a current listing is basic to our efforts. I have seen some estimates that would indicate about 400 programs will be included as the final figure.

Additionally, we all recognize that within disbursing agencies there is a need for closer cooperation between the Office of General Counsel and Title VI personnel. I hope that the scheduled workshop on this topic will provide a discourse that will give these two resources a better awareness of what each has to offer the other. While on the subject of workshops, I might point out that the purpose of the one scheduled to be conducted jointly by Assistant Attorney General Babcock of the Civil Division and myself is to make it known that identical standards will be applied by our respective Divisions when evaluating the merits of an existing civil rights suit.

Also, I am most interested in the conclusions that you arrive at in terms of striking a balance between centralization and decentralization. Although active regional offices are desirable, it is similarly important for Central guidance to be provided by the national office. In other words, decentralization should not be an excuse for abdication of responsibility by the Washington office.

At this point, it is tempting to digress and provide you with anecdotal material that would illustrate why I have a sense of excitement over the tremendous task before us. Instead, I will close simply by saying, so much for the welcome, let's get started. We cannot require the recipients of federal funds to go out and make that extra effort at affirmative action unless we begin to set the example and show the way, here and now.

WE CAN DO ANYTHING TO YOU YOU CAN'T STOP US FROM DOING

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mrs. SCHROEDER. Mr. President, the double standard is not new around these parts. Certainly if Congress did not invent the practice, it has adopted it as its modus operandi, and enthusiastically used it in all those situations where Joseph Heller's rule applies: We can do anything to you you can't stop us from doing.

Thus the miserable state of affairs described in the New Republic article below:

ABORTION DOUBLE STANDARD

If anyone in the family of Representative Henry J. Hyde should need an abortion, the federal government has arranged to have it taken care of without charge. Representative Hyde is covered by the federal employee Blue Cross-Blue Shield health insurance plan, which pays for 100 percent of the cost of any legal abortion performed for any reason. President Carter, Rosalynn Carter and Amy have the same benefit. So do HEW Secretary Joseph Califano and his family. Thanks to the government, none of these people needs to worry about suffering an unwanted pregnancy or back-alley butchery for lack of funds to pay for a competent doctor and decent hospital.

In fact, virtually every federal government employee is covered by a group insurance plan that pays for all or most of the cost of a legal abortion. The government pays for about 60 percent of the cost of this health protection, with the rest coming from the individual employee.

Some of these federal employees have been spending a lot of their working hours lately trying to deprive poor people, equally dependent on the government for their health care arrangements, of the abortion benefit they themselves enjoy. As of this writing, the Senate and the House have been unable to settle their differences over the extent of the abortion exclusion to be written into the 1978 HEW appropriation bill. The Senate wishes to permit abortions under Medicaid and other social service programs whenever the woman's life or health is threatened. The House feels this is too generous, and wants to restrict abortions to occasions when full-term pregnancy would threaten the woman's life. (It has agreed to permit "medical procedures" including dilation and curettage, as long as pregnancy has not been diagnosed.)

Last year's HEW bill actually contains this extreme restriction, known, after its most ardent congressional supporter, as the Hyde amendment. Until the Supreme Court indicated otherwise in June, most people assumed that the Hyde amendment was unconstitutional and therefore unenforceable. Now that it stands as a genuine threat, the Senate is making an admirable attempt to temper its harshness. Meanwhile President Carter and Secretary Califano both are on record in favor of restricting medicaid abortions. If they find the "life or death" language of the Hyde amendment a bit extreme, they are not going out of their way to say so.

Unfortunately, this nasty little measure and all the misery it will cause won't even begin to achieve its symbolic purpose of getting the government out of the abortion business. Not only do government employee health plans cover abortions, the military is a major provider of abortions as well. The regulations governing military hospitals permit abortions to be performed there on military personnel and their dependents, and on military retirees and their dependents (no joke, given the military's extravagant early retirement arrangements) "when medically indicated, or for reasons involving mental health"—the usual code words for "on demand." Furthermore, the military's own CHAMPUS insurance program for civilian medical care of dependents and retirees pays for about 75 percent of the cost of any legal abortion. The plan, as you might expect, is non-contributory, meaning that the government pays the whole premium.

If Carter, Califano and Hyde feel that the government has blood on its hands because of its payment for abortions, why don't they do something about these federal employee health plans and military arrangements? The answer is simple: they wouldn't dare. Federal employees and their families, military personnel and veterans are simply too politically powerful to be denied what most Americans now consider to be a basic health care requirement. Poor people, on the other hand, make the ideal sacrificial victims to pacify the rabid right-to-life campaign. Rarely has the class bias of government policy been more vividly on display.

THE ETHIOPIAN-ISRAELI CONNECTION AND THE HORN OF AFRICA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues some correspondence I had recently with the Department of State regarding press reports of continued Israeli-Ethiopian military cooperation. Recent press stories have focussed on continuing Israeli support for the Ethiopian Flame Unit, a relatively new elite combat unit.

This Israeli-Ethiopian cooperation comes at a time when United States-Ethiopian relations are at a low ebb, United States military relations with Ethiopia have been terminated by Ethiopia and Ethiopia is engaged in two regional conflicts, an old one in its Eritrea Province and a new one in the Ogaden area with Somalian forces and Somalian supported forces.

We have both complementary and divergent interests with Israel in the Red Sea and Horn of Africa regions. We desire good relations with both Somalia and Ethiopia. In the present situation it may well be in our interest for states friendly to us to maintain working ties with Ethiopia, but under present conditions, we cannot support continued military supplies coming into the Horn of Africa.

Over the last few years, an important revolution has occurred in Ethiopia. That revolution has not run its course, but many aspects of it have frustrated sincere American efforts to come to grips with a new manifestation of African socialism.

In the coming weeks, it should be our goal to try to defuse tensions in the Horn of Africa. Continued hostilities in this region serve no useful purpose and threaten stability and peaceful development throughout the Red Sea region.

My correspondence with the State Department regarding Israeli-Ethiopian military ties follows:

SEPTEMBER 1, 1977.

HON. CYRUS R. VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: There have been reports recently that the Israeli Government has transferred or loaned a squadron of planes to Ethiopia.

I would like to know whether we have any evidence of Israeli transfers to Ethiopia, whether any U.S. equipment is involved, what the precise extent of Israeli assistance to Ethiopia is at this time, what Ethiopia activities include Israeli military personnel and whether there are still Israeli military advisors in Ethiopia.

I would appreciate an early reply to this matter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and Middle East.

DEPARTMENT OF STATE,
Washington, D.C., October 6, 1977.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your letter to the Secretary of September 1, in which you ask about the military relationship between Israel and Ethiopia. I regret the delay in this reply.

It is our understanding that Israel may have transferred small amounts of military equipment to Ethiopia and may have provided some military personnel and training assistance. The extent of such transfers and their precise nature are not known, however, nor do we know whether Israeli advisors are still present in Ethiopia. We have no information to support reports that the Israeli Government has transferred or loaned a squadron of aircraft to Ethiopia.

We have been assured, however, that no equipment of U.S. origin has been involved in such transfers as may have taken place. As you are aware, our policy is not to approve third-country transfers of U.S.-origin equipment which the United States would not itself transfer. As long as our position remains against sales of U.S. equipment to Ethiopia, we would not approve sales by Israel of U.S.-origin equipment to that country.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

LABOR LAW REFORM LONG OVERDUE

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. WHALEN. Mr. Speaker, my duties as a member of the U.S. Delegation to the United Nations General Assembly precluded my participation in the debate on H.R. 8410, the Labor Reform Act of 1977. Nevertheless, I feel that it is important to outline my position regarding this important legislation.

When Congress passed the National Labor Relations Act in 1935, it declared it the "policy of the United States—to encourage—the practice and procedure of collective bargaining—by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection." Today, that basic principle has been undermined by the growing number of cases before the National Labor Relations Board and by ineffective remedies to thwart needless delay and willful violation of the act. The result: many workers who want a union to represent them at the bargaining table experience unreasonable delays and frustrations because of the sluggish and outmoded procedure involved in gaining recognition for their union. Of course management benefits from such delays since workers have no bargaining power during the interim period.

The NLRB currently takes an average of 2 months to hold an election after receiving a petition from workers seeking union recognition. But if the election is challenged by management, it often takes 2 years to settle the dispute. As the Chattanooga Times recently noted, "There is not much justice for the workers who decide in a secret election that they want to be represented by a union, only to find that the present NLRB procedures are in effect a mechanism for thwarting their right to organize, as they are allowed to do under the Wagner Act of 1935."

Furthermore, without congressional action, the delays will surely worsen. The total number of cases has increased 70 percent in 10 years. Even worse is the increasing backlog of cases. At the end of fiscal 1966, the NLRB had 9,317 cases still pending; by April 30 of this year, that figure had climbed to 20,897.

More ominous, Mr. Speaker, is the increasing number of charges of law violation by employers. While the total number of cases has climbed 70 percent over the last decade, cases involving employer violations has risen by 115 percent. Still more alarming is the growing evidence, so well documented by the hearings conducted by the Labor-Management Relations Subcommittee under the able direction of the gentleman from New Jersey (Mr. THOMPSON), that some employers find it more profitable to break the law than to observe it. The record of one company, J. P. Stevens & Co., is so bad that a three-judge panel of U.S. Court of Appeals recently found that the company's antiunion efforts "raises grave doubts about the ability of the courts to make the provisions of the Federal law work in the face of the persistent violations."

The growing delays and increasing abuse of the labor law clearly indicates that new legislation is necessary. Congress cannot allow the goal of the Wagner Act—to protect the right of workers to organize—to be negated by obsolete procedures and ineffectual penalties.

Many constituents have written me to express their preference for H.R. 8310, the "Employee Bill of Rights Act," over H.R. 8410. While I support at least one provision of H.R. 8310—the religious freedom clause that would protect any individual with religious scruples against belonging to a union from being forced to join one—I oppose the bill itself because it would seriously undermine the system of collective bargaining. Furthermore, the drastic changes it proposes have not been studied by a congressional committee—we have yet to hear a single employee's testimony on this legislation. Finally, I feel that H.R. 8310's provisions do not address the twin problems of increasing procedural delay and rising incidence of labor law violations by employers.

In my view, H.R. 8410 represents the superior approach in correcting the inadequacies of the present law. It is the product of years of study and oversight hearings by the Education and Labor Committee and its subcommittees. Rather than drastically reforming the Wagner Act, it provides the modern means for guaranteeing a workers right to full "freedom of association" by limiting opportunities for bureaucratic delay and by strengthening the penalties for violation of the law. As Labor Secretary Marshall noted, "law-abiding employers and unions have nothing to fear from this bill."

Mr. Speaker, workers attempting to organize a company or unions trying to negotiate a first contract should not be subjected to endless litigation. Had I been present I would have voted for H.R. 8410 because I believe it represents a reasonable method of expediting the labor-management process in a manner consistent with the Wagner Act.

Labor law reform, Mr. Speaker, is long overdue—the shortcomings of the present law were apparent years ago. One panel of labor law experts, chaired by Archibald Cox, had this to say about the need for changes:

> A major weakness in the labor management relations law is the long delay in contested NLRB proceedings. In labor-management relations, justice delayed is often justice denied.

That report was issued in February 1960. Last week, 17 years later, Congress finally acted on its findings.

ISSUANCE OF THE NATHAN HALE COMMEMORATIVE POSTAL CARD

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. DODD. Mr. Speaker, today marks a special event for residents of the town of Coventry as well as for all Americans. The Nathan Hale Stamp Committee together with the U.S. Postal Service will be holding a ceremony for the First Day Issuance of a Nathan Hale Postal Card.

Nathan Hale, a native of Coventry, Conn., is noted for his dedicated contributions to education and to the cause of the American Revolution. Connecticut cherishes with special pride the patriotic spirit of Nathan Hale. He exemplified the ideals of patriotism and freedom for all Americans. It was revolutionary leaders like Nathan Hale who with a burning love for freedom helped to lay the foundations for our existing democratic political system. The importance of freedom was expressed in Nathan Hale's teachings as a school master in East Haddam and New London, and in every action of his life. The story of Nathan Hale is a continuing reminder of his service and sacrifice in the fulfillment of patriotic courage.

Gov. Ella Grasso has issued a proclamation declaring September 22, 1977, as "Nathan Hale Day" in order that the spirit of his sacrifices in the struggle to establish a free and independent United States might be recognized by all citizens of Connecticut.

It gives me great pleasure to bring to the attention of the Members of Congress the magnificent contributions that Nathan Hale made for our Nation as the

commemorative postal card is issued in his honor today.

I would at this point in the RECORD, like to submit a statement by the Antiquarian & Landmarks Society of Hartford, Conn. noting, on this historic occasion, the issuance of the postal card today in Coventry:

Over the years the name of Nathan Hale has become in everyone's mind the ultimate symbol of patriotism and self sacrifice. When volunteering for the dangerous spy mission in 1776, he said: "I am not influenced by the expectation of promotion or pecuniary reward; I wish to be useful, and every kind of service necessary to the public good, becomes honorable by being necessary."

While spoken over 200 years ago by a brave 21 year old youth, born and raised in Connecticut, these noble words may well serve today to inspire everyone concerned with loyalty to and the preservation of his country.

Today, the 1776 Nathan Hale Homestead, South Street, Coventry, Connecticut, birthplace of the patriot, stands as a fitting symbol and lasting memorial to the memory of Nathan Hale. The Nathan Hale Homestead is owned and maintained by the Antiquarian & Landmarks Society, Incorporated of Connecticut and is open daily to the public May 15 through October 15.

The Antiquarian & Landmarks Society is deeply appreciative of the issuance of the new nine-cent postal card bearing the likeness of Nathan Hale. In keeping with the highest ideals of patriotism for which Nathan Hale stood, the Society is proud to have a part, along with the United States Postal Service in perpetuating his last contribution.

SOCIAL SECURITY REFORM SHOULD NOT IMPAIR PUBLIC RETIREMENT PLANS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. McCLORY. Mr. Speaker, today about 9 out of every 10 American workers participate in the social security system. It is becoming increasingly difficult—especially in light of the current social security funding crisis—to justify to the "nine" why the "one" is not covered. Social security is a nationwide social insurance system, and therefore it is a natural and desirable goal to provide for universal coverage.

The Advisory Council on Social Security stated in its most recent report to the President that—

It is of great importance from the standpoint of assuring good protection for all workers on an equitable basis that all jobs be compulsorily covered under social security.

Heeding this advice, the Ways and Means Committee recently voted to require that all American workers participate in Social Security beginning in 1982.

I have received numerous letters and petitions from my constituents who are concerned about certain aspects of the universal coverage provision of H.R. 9346. Therefore, I feel that it is in order to provide an explanation of what the bill will do and what it will not do.

H.R. 9346 would provide universal social security coverage—that is, it would require all Federal employees, all State and local government employees, all the employees of nonprofit organizations—and all Congressmen—to participate in social security. Roughly 70 percent of State and local government employees and 90 percent of the employees of nonprofit organizations are today covered by social security on a voluntary basis. They would not be affected by this provision. However, the bill terminates their option to withdraw from the social security system.

The move to universal coverage is a step which the Congress must take. The social security system suffers a tremendous loss because of the large numbers of noncovered employees who eventually draw social security benefits due to jobs they have held in the past, postretirement jobs, and moonlighting. These workers get nearly the same benefits as others but pay in far less. Second, millions of people in State and local government service do not have insurance coverage as broad and basic as social security provides. These individuals will be provided with important new protection under this provision. Third, the contributions these workers make will provide important short-term benefits to the social security trust fund and will cause no long-term loss.

Funds from the civil service retirement fund will not be used to shore up social security. The bill cannot and does not authorize that one penny be transferred from any other retirement system to the social security fund. Moreover, it does not change any of the rights or benefits earned by employees under Federal, State, local, or private retirement plans.

Likewise, this bill will not require that the Federal civil service program be merged with social security. At some future time Congress may want to alter the Federal civil service retirement system to take account of the new social security coverage. Even if this should happen, we expect the Federal civil service program to remain a large, independent retirement program—similar to a private pension plan—which would be supplemented by social security benefits. There would not be a "merger."

The bill provides that universal coverage would not become effective until 1982. Prior to this date, in order to assure that no one is burdened with excessive taxes or suffers a loss in benefits, the Civil Service Commission and the Department of Health, Education, and Welfare, along with the appropriate committees of Congress, will conduct a study of the best method to phase in universal coverage. The basic plan is to make adjustments in the Federal civil service retirement program so that the total costs and total benefits to each Federal employee will remain the same when universal coverage begins.

No person should be allowed to suffer an economic loss as a result of universal coverage.

DRUG TRAFFIC LINKED TO TORRIJOS FAMILY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. McDONALD. Mr. Speaker, on October 5 in testimony before the Senate Committee on Foreign Relations calling for the rejection of the Panama Canal Treaty, I called attention to the involvement of the Torrijos family in trafficking in narcotics in our own country.

Since my testimony I note from press accounts that the Attorney General has briefed President Carter in this matter, and that much speculation has been generated as to the extent of this problem. References have been made to sealed indictments and secret reports which can only serve to obscure the known facts.

I would remind my colleagues that our Committee on Merchant Marine and Fisheries in their report to the 92d Congress (January 2, 1973) revealed the narcotics problem that we were experiencing with Panama. A problem that has not been solved and can only be increased by the shameful treaty that seeks to abrogate our national responsibility.

In 1973, the Merchant Marine Committee reported that some 20,000 American drug addicts were getting their daily supply through Panama. The committee reported on a special report prepared by Mr. John Ingersoll, then the Director of the Bureau of Narcotics and Dangerous Drugs that—

Panama is one of the most significant countries for the transshipment of narcotic drugs to the United States. Its geographic location facilitates the illicit traffic because it is a terminus for air and sea transport. Additionally, domestic and international telecon facilities are well developed. The significance of Panama is evidenced by the fact that during the past twelve months, 641 pounds of heroin were seized in the United States which had transited through Panama. This 641 pounds consists of only four single seizures and does not include seizures of less than 100 pounds. . . .

It is clear that the Republic of Panama has not and is not paying sufficient attention to narcotic enforcement activities to achieve noticeable results. This may be due to high level apathy, ignorance and/or collusion.

The committee report continued:

This conclusion was given further support in a January 1972, briefing arranged by Myles Ambrose, former head of the Bureau of Customs. Special agents of the Customs Bureau briefed the Chairman of the Subcommittee on the "major" seizure cases during the pre-Republic of Panama, specifically the Rafael Richard, Nicholas Polanco, Guillermo Gonzalez case. (Information developed during investigation of the case indicates this was the fifth instance wherein similar quantities of heroin were smuggled into the U.S. in this manner.)

The briefing team concluded that based on the Customs investigation this case reached into the highest levels of Panamanian officialdom and included Moises Torrijos, the brother of General Omar Torrijos, and the Panamanian Foreign Minister, Juan Tack. This involvement was confirmed by BNDD

officers in the Republic of Panama on February 23 during a Subcommittee briefing in that country. In summary, the Customs files show the following:

Rafael Richard Jr., (23) was arrested in New York on July 8, 1971, with Nicholas Polanco who was chauffer for Guillermo Gonzalez. Gonzalez, a long-time friend and former bodyguard for Moises Torrijos, is Richard's uncle. After his arrest, Customs agents determined that Richard and Polanco were to call Gonzalez in Panama to inform him that the 70 kilos had been delivered to two consignees in New York. Customs instead had Richard call Gonzalez and convince him to come to New York to handle the delivery personally. Gonzalez—who had accompanied Richard on the alleged previous four smugglings of 70 kilos each—came to New York and was arrested by Customs agents. He was found guilty on a narcotics charge and was sentenced to seven years in prison. The Customs agents deduced that because Richard's father was in Taiwan at the time of these transactions that he got his diplomatic passport from Moises who had access to them as a Panamanian Ambassador. Customs confirmed the BNDD report that Juan Tack had personally signed the diplomatic passport despite the fact that Rafael Richard Jr., had absolutely no credentials warranting such a passport.

The 1973 report continued to provide further shocking details of the involvement of Panamanian officials in the drug traffic. It stated:

Another case which prompted the original BNDD assessment of Panamanian official involvement centered around Joaquin Him Gonzalez, a notorious smuggler who was arrested in the Canal Zone by U.S. authorities on February 6, 1971. Within two weeks he was brought to Dallas, Texas, for his active participation in the drug market and tried for conspiracy.

Him Gonzalez was international transit chief at Panama's Tocumen Airport and he used his high position to protect shipments of drugs to the United States. He was accused on this occasion of sending to Dallas somewhat over a million dollars worth of heroin. Gonzalez was allegedly a Torrijos protege and this relationship was made clear when the Panamanian Government mobilized all its resources, something it had not done until that point, for the offender to be returned to Panama. Reports in the press cited the "angry outburst" and "outraged" protest of the Panamanian Government—led by Juan Tack—over the arrest of Gonzalez.

An indication of the duplicity of certain Panamanian officials is found in a comparison of their public statements and their private or official actions in this regard. For example, in October 1972, Colonel Manuel Moriega, the Intelligence Chief of the National Guard, proclaimed a desire for Panama to become the enforcement center for fighting the drug traffic in Latin America. Yet that same month intelligence reports of the United States Government sustains the 1971 BNDD assessment and we still find that Panamanian officials and security agents are allegedly involved in narcotics trafficking. A similar "offer" was made on April 8, 1972, which received worldwide publicity. However, U.S. officials, when questioned by the Subcommittee, were unaware of any direct contact by the Panamanian Government which would have brought this about.

The arrest of Manuel Rojas Sucre, the nephew of Panama's Vice President Arturo Sucre at Kennedy International Airport on December 3, 1972, with cocaine, liquid hashhish, and a diplomatic passport (his mother is Panama's consul general in Montreal) is further indication of a need for continued efforts by the United States Government to impress upon the Panamanians the seriousness with which we view the drug problem.

Then as now, there was information of a coverup by our Department of State, House Report 92-1629 stating:

THE POSITION OF THE DEPARTMENT OF STATE

The State Department has had a history policy of ignoring or denying the involvement in the narcotics traffic into the United States of high-ranking officials of friendly foreign governments.

While the Department has taken a "soft" approach to the narcotics problem generally, in Panama it has reached an absurd extreme. For example, the Subcommittee was told by the director of the BNDD that as a result of the strong Panamanian objections to the arrest of Him Gonzalez, it is highly doubtful that the State Department would ever again allow the arrest of a Panamanian national in the Canal Zone; BNDD agents claimed the Panamanians were only paying lip service to narcotic drug enforcement and that the big trafficking was going on full tilt with the knowledge, sanction and even involvement of certain Panamanian officials and Guardia members.

The report continued by quoting a Government law enforcement intelligence report which in part read:

Generally speaking, the greatest detriment to effective enforcement in Latin America is corruption. The corruption goes all the way to the top of some Latin American governments. One of the more glaring examples of official corruption is the country of Panama, . . .

. . . Because of the known involvement of Panamanian government officials in the international narcotics traffic, the U.S. Government should take a firm stand in the current negotiation of a new treaty for the continued use of the Panama Canal Zone.

Mr. Speaker, we have no information that there has been any change in the Panamanian attitude toward flooding our country with narcotics. Just the reverse. Moises Torrijos, who has a currently pending indictment in the United States for trafficking in narcotics, has been appointed as the Panamanian Ambassador to Spain.

I am urging that the appropriate committee hold public hearings on the present state of the narcotics traffic in Panama and the involvement of the Torrijos family in these activities.

NATURAL GAS REGULATION: THE BIG RIPOFF

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. EDGAR. Mr. Speaker, I would like to congratulate the President for correctly pointing out the "war profiteering" which would result by allowing domestic energy producers to "ripoff" American consumers by becoming de facto members of the OPEC cartel. Yesterday, an excellent article by Hobart Rowen, which appeared on the op-ed page of the Washington Post pointed out the absurdity of a policy of natural gas deregulation. The article calls to mind the study released last month by the Subcommittee on Energy of the Joint Economic Committee which explodes the myths about the need for deregulation.

I would like to share with my colleagues the conclusions of this study and I urge my colleagues to obtain a copy of the full report from the committee. I would also like to share the article by Mr. Rowen, which I feel is right on target:

[A staff study from the Subcommittee on Energy of the Joint Economic Committee]

THE ECONOMICS OF THE NATURAL GAS CONTROVERSY

CONCLUSIONS

This paper has been prepared to provide information and discussion on the economics of the natural gas pricing issue. It describes the historical experience under Federal Power Commission price controls, potential future supplies of gas, and methods for curbing demand. The potential macroeconomic effects of natural gas price increases are dealt with along with measures by which the natural gas pricing dilemma can be resolved.

Some of the more important points made in the study are:

The early years of Federal Power Commission (FPC) regulation probably resulted in prices higher than would have been the case without regulation. However, the 1960s saw real prices decline as a result of controls.

Savings on the order of $6.7 to $12.0 billion annually accrued to both inter and intrastate gas users during the 1960s as a result of controls.

New reserve additions dropped sharply after 1967, and production declines followed in 1973. Drilling activity, especially for gas wells, has risen sharply since 1973.

The existing regulatory structure will result in substantial rises in gas prices in the foreseeable future. Under prevailing tariff rulings, consumers eventually will pay $10 billion per year more than they are paying now for today's supply of gas.

The lower 48 States and readily accessible offshore areas already have been extensively exploited. Recent estimates see much lower potential reserves discovered compared to just a few years ago. Estimates of possible production levels have been consistently reduced, even at high projected prices.

Production economics are such that higher prices beget higher costs. Potential excess profits in the producing sector are, to a significant extent, captured by the equipment and labor supply sectors and mineral rights owners.

Expectations of increasing gas prices create a situation in which gas left in the ground is perceived as a better investment than cash in the bank. An incentive to withhold production is thereby created. There is circumstantial evidence that producers recently have been responding to this incentive and withholding production.

At today's prices, only wells with very high costs and low potential production will not be produced. No substantial finds will be rendered uneconomic by maintaining price constraints within today's price range.

The profitability of new energy production in the United States remains higher and more secure than in virtually any other part of the world.

An unambiguous statement that gas price increases will be limited to moderate rates below the returns on other investments is essential to end the incentive to withhold production. Such a clarification of price policy must be a primary objective of Congress as it considers legislation reforming natural gas regulation.

The demand for gas is not very price sensitive, implying that price is a relatively poor conservation tool, especially in the short run.

In the face of rigid constraints on domestic supply and the very limited availability of natural gas imports, gas prices in the absence of controls could go to extremely high levels. High prices for domestic production can be

justified, however, only to the extent that they serve U.S. national purposes such as reduced import dependency.

After the 1973 oil embargo, energy prices rose by $58 billion over a two-year period, causing perhaps one-half of the inflation of 1974 and 1975.

The immediate deregulation of gas prices would cause similar, although smaller, inflationary effects. Under deregulation, the Nation's gas bill would be about $25 billion per year higher than under extension of the regulatory status quo.

Because clauses in many existing natural gas contracts for large volumes of gas stipulate price renegotiation in the event of deregulation, this action would increase prices on old as well as new gas, unless measures are specifically mandated to proscribe this. Old gas prices would then gravitate toward the upper price level.

There are numerous ways in which the potential inflationary impact can be both minimized and spread out over time. The most important options are:

(i) A ceiling price which would prevent scarcity pricing of gas;

(ii) A tight definition describing what gas is eligible for the higher price. This will place the incentive strictly on the discovery of truly new gas in locations other than in currently known producing fields;

(iii) Strong measures to ensure that producers continue to deliver old gas at old gas prices;

(iv) Measures to protect intrastate gas users from higher energy prices;

(v) Unification of the national gas market and abolition of the inter-intrastate dichotomy is desperately needed in order to achieve a semblance of proper allocation.

[From the Washington Post, Oct. 13, 1977]

GAS DEREGULATION: "THE PUBLIC IS BEING HAD"

(By Hobart Rowen)

The industry's effort to deregulate the price of newly discovered natural gas threatens to be one of the boldest and biggest steals of all time. "What is being done here is the greatest unarmed robbery in the history of the country," according to Sen. Don Riegle (D-Mich.).

It's important to get some impression of the monumental nature of the ripoff. Not content with a price increase for new gas of 445 per cent from 1972 through 1976, the industry in reality is seeking to get the equivalent of the monopoly price of oil, as set by OPEC: $2.50 to $2.75 per thousand cubic feet.

That would give the industry a price increase of 2,000 per cent—yes, 20 times the 13- to 14-cent price at which it was making a good profit in 1968.

The industry lament is that it needs ever higher prices to provide incentive for new explorations. But a hard-to-counter analysis by the Consumer Federation of America shows that while prices were increasing 445 per cent in 1972–76, gas production decreased 12 per cent, reserves declined 19 per cent, and profits boomed by 50 per cent.

Lee C. White, former chairman of the Federal Power Commission, now lobbying hard against deregulation, observes that before 1968, "we argued over pennies." And for good reason: Every added penny on the gas price per thousand cubic feet costs consumers $200 million. Every dime costs $2 billion.

Yet, in an effort to stave off the greedy drive for total deregulation, hard-pressed Democratic senators are giving away dimes and quarters like chicken feed.

Last year, two statistical agencies of the Federal Power Commission estimated that a fair price for "new" natural was between 60 cents and 67 cents—"fair price" meaning a return of 15 to 18 per cent.

But the commission itself figured the fair price at $1.42, allowing, in its computation, a federal tax burden calculated at the theoretical corporate-tax-table maximum of 48 per cent. Of course, no industry pays 48 per cent. "If they paid more than 7 per cent [as an effective tax rate], they need a new lawyer," says White.

Then the Carter administration came along, after the U.S. Court of Appeals sustained the FPC's $1.42 price, and proposed a formula that would sweeten the price for "new" natural gas to $1.75.

Even that didn't satisfy the industry, so Henry Jackson made an abortive attempt to avert a deregulation vote in the Senate with a proposal for $2.03 per thousand cubic feet, and a more generous interpretation of "new" gas. The price would rise to $3.36 in 1985, with full deregulation in 1987. How utterly ridiculous can this get? How long will it take before the public realizes that it is being had?

A high administration official dealing with energy matters, who saw the turn of the tide some weeks ago, put it this way:

"The moral imperative for American business is to maximize profits. Natural gas is no exception. You just go over the debates over the years. Give us 35 cents—that's all we want, they said. Give us 50 cents. Last year, they said a dollar will produce all the gas you want. Now, at a $1.75, for the shallow deposits, the incentives are just overwhelming. . . .

"The incentives are so damn great that the producers are bidding one against the other for drill rigs, for steel, for trained manpower, for leases."

There was a time when the administration thought the industry couldn't turn down a price between $1.75 and $2 because the profits would be so great. But the natural-gas industry isn't satisfied. It's had the deregulation bug ever since President Nixon planted the idea, and now sees no reason why it shouldn't get the OPEC equivalent, and with that a transfer of some $10 billion annually from consumers to the gas producers. Who knows? The OPEC oil price one day may be $25 a barrel.

The huge increase in the price of oil from around $2 to $3 a barrel in 1972 and 1973 to $13 or $14 a barrel today, as many officials have once again concluded, created unmanageable financial problems. It has led to enormous debt and, currently, a serious worldwide flirtation with protectionism.

The price of oil is today's key issue—and everyone talks about it merely in whispers, fretful of the effect on Mideast politics. The world today appears to be concerned more about the fear of an empty gas tank than about moral attitudes. But having let OPEC dictate this country's oil prices, it would be criminal if we let OPEC dictate natural-gas prices as well.

TREATIES WITH LIBERIA NOT AFFECTED BY CARGO EQUITY LEGISLATION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 14, 1977

Mr. MURPHY of New York. Mr. Speaker, one of the arguments offered in opposition to cargo equity legislation is that the bill would create some conflict with existing treaties with other seagoing nations. In that vein, I recently received a communication from the Ambassador of Liberia—a nation which provides a very large percentage of the documentation for foreign-flag vessels which carry American-bound cargoes—the essence of which was the Ambassador's concern for the effect of the legislation on existing treaties.

I would therefore like to enter into the RECORD the copies of both his letter to me expressing his concern about the matter, and my reply to him which indicates that the findings of the Merchant Marine and Fisheries Committee do not support such an allegation. Indeed, the Department of State has not supplied us with any such information, which we had specifically requested during hearings on the bill.

It is such misinformation which has plagued the committee during the consideration of this vital legislation. I trust that the Members of Congress who are interested in fact rather than fiction will take note of this exchange.

EMBASSY OF THE
REPUBLIC OF LIBERIA,
Washington, September 30, 1977.

Hon. JOHN M. MURPHY,
Chairman of the Merchant Marine and Fishery Committee, U.S. House of Representatives, Capitol Hill, Washington, D.C.

MR. CHAIRMAN: An article in the September 30th, 1977 issue of the Journal of Commerce of New York, New York, reported that Honourable John M. Murphy, Chairman of the Merchant Marine and Fishery Committee, declared in a letter to each member of the House of Representatives that the United States does not have treaty obligations to the Republic of Liberia. I respectfully wish to advise that on August 8, 1938, the United States and Liberia entered into a Treaty of Friendship, Commerce, and Navigation which was subsequently ratified by each country and which has remained in effect since November 21, 1939 (54–Stat. 175) (TS No. 956).

The terms of the treaty would, in the opinion of the Republic of Liberia, clearly be violated by either nation's unilateral allocation of a percentage of its commercial cargoes in international shipping on the basis of national flag.

Very sincerely yours,

FRANCIS A. DENNIS,
Ambassador.

COMMITTEE ON
MERCHANT MARINE AND FISHERIES,
Washington, D.C., October 12, 1977.

His Excellency FRANCIS A. DENNIS,
Ambassador of the Republic of Liberia, Washington, D.C.

DEAR MR. AMBASSADOR: This will acknowledge receipt of your letter of September 30, 1977, in which you called my attention to the fact that the United States and Liberia entered into a Treaty of Friendship, Commerce, and Navigation which has remained in effect since November 21, 1939. You questioned an article in the Journal of Commerce, reporting an earlier statement attributed to me to the effect that the United Sates does not have treaty obligations with the Republic of Liberia. Although the language in question may be ambiguous to some, the intent was that there is no such treaty obligation which would guarantee equal access to cargo.

While I appreciate the fact that you wish the record to be absolutely correct, and are concerned on the subject of treaties between our respective nations, I question the propriety of my entering into a direct discussion with a foreign representative on differences of opinion in the interpretation of treaties existing between our two nations.

In connection with the Journal of Commerce report, I point out that in the wording

of my letter of September 22, 1977 to certain Members of the House of Representatives, in connection with legislation pending before the House, I stated that the United States does not have *such* (emphasis added) treaty obligations, referring to certain treaties with other nations.

I have carefully reviewed the Treaty of Friendship, Commerce, and Navigation between the United States and Liberia, signed at Monrovia on August 13, 1938 and ratifications exchanged at Monrovia, November 21, 1939. I can find nothing in the terms of that Treaty which would be violated by the enactment of H.R. 1037. In considering this same subject, the Committee on Merchant Marine and Fisheries has requested from the Department of State the citation of any treaty provisions involved not only in our treaty obligations with the Republic of Liberia but also with any other nation which would be violated by the passage of cargo equity legislation. Thus far, we have received no such information.

Since I note that in your letter you make reference to a clear violation of the terms of the Treaty, presumably by the passage of H.R. 1037, I respectfully suggest that it would be in the interest of both our governments if you would express your concern to the Secretary of State, with specific citations as to the articles of the treaty involved. The Secretary of State would then be in a position to furnish to the responsible Congressional officials the specific information which the Congress should take into account on the subject of our treaty obligations.

I sincerely appreciate your concerns, and I understand the reason for expressing those concerns directly to me. However, I believe that the discussion would be more fruitful and better handled if the detailed information which would be necessary were transmitted through regular diplomatic arrangements.

With assurances of my highest personal regard, I remain,

Very truly yours,

JOHN M. MURPHY,
Chairman.

SENATE—*Monday, October 17, 1977*

(Legislative day of Tuesday, October 11, 1977)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. SPARK M. MATSUNAGA, a Senator from the State of Hawaii.

PRAYER

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

Let us pray:

God of grace and God of glory, we thank Thee for Founding Fathers who built an altar of faith at the heart of our national life and kindled a flame upon it in the morning hours in this Chamber. Thou knowest we need Thee every hour of every day. Grant us wisdom, grant us courage for the living of these days. When there is darkness give us the sight and insight of the pure in heart. When there is confusion and uncertainty keep our minds clear and clean that we may speak for justice and freedom and brotherhood. And when some grow mad and sad give us the grace and serenity, the peace and power of Thy spirit that we may be instruments of healing in our troubled world.

For thine is the kingdom and the power and the glory forever. 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., October 17, 1977.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SPARK M. MATSUNAGA, a Senator from the State of Hawaii, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MATSUNAGA thereupon assumed 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 Thursday, October 13, 1977, be approved.

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

MESSAGES FROM THE HOUSE DURING THE RECESS

Under authority of the order of October 13, 1977, a message from the House of Representatives was received on October 14, 1977, stating:

The House further insists upon its amendment to the bill (S. 1811) to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, and for other purposes; requests a further conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. TEAGUE, Mr. FUQUA, Mr. FLOWERS, Mr. MCCORMACK, Mr. BROWN of California, Mr. THORNTON, Mr. OTTINGER, Mr. HARKIN, Mr. AMBRO, Mrs. LLOYD of Tennessee, Mr. WATKINS, Mr. WYDLER, Mr. WINN, Mr. FREY, Mr. GOLDWATER, and Mr. GARY A. MYERS were appointed managers of the Conference on the part of the House.

The House agrees to the amendment of the Senate to the bill (H.R. 5675) to authorize the Secretary of the Treasury to invest public moneys, and for other purposes.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6415) to extend and amend the Export-Import Bank Act of 1945.

The House agrees without amendment to the concurrent resolution (S. Con. Res. 46) providing for certain corrections to be made in the enrollment of the bill (H.R. 6415) to extend and amend the Export-Import Bank Act of 1945.

The House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 3816. An act to amend the Federal Trade Commission Act to expedite the enforcement of Federal Trade Commission cease-and-desist orders and compulsory process orders; to increase the independence of the Federal Trade Commission in legislative, budgetary, and personnel matters; and for other purposes;

H.R. 8309. An act authorizing certain public works on rivers for navigation, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

H.R. 6415. An act to extend and amend the Export-Import Bank Act of 1945.

S.J. Res. 89. Joint resolution to amend the act entitled "To authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (enrolled bill H.R. 6550, Ninety-fifth Congress, first session).

The enrolled bill and joint resolution were signed on October 14, 1977, by the Acting President pro tempore (Mr. METCALF).

RECOGNITION OF THE LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

TIME-LIMITATION AGREEMENT—H.R. 5383, AGE DISCRIMINATION IN EMPLOYMENT AMENDMENTS OF 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 5383, Calendar No. 451, is made the pending business before the Senate, there be a time limitation thereon of 1½ hours of debate on the bill, to be equally divided between Mr. WILLIAMS and Mr. JAVITS; that there be a time limitation on any amendment of 1 hour; that there be a time limitation on any debatable motion, appeal, or point of order of 20 minutes; and that the agreement be in the usual form.

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

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 5383 (Order No. 451), an act to amend the Age Discrimination in Employment Act of 1967 to extend the age group of employees who are protected by the provisions of such act, and for other purposes, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1½ hours, to be equally divided and controlled, respectively, by the Senator from New Jersey (Mr. WILLIAMS) and the