SENATE—*Thursday, May 25, 1978*

(Legislative day of Wednesday, May 17, 1978)

The Senate met at 9 a.m., on the expiration of the recess and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

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

Let us pray:

O Thou who are the Great Burden Bearer, a man of sorrows and acquainted with grief, we beseech Thee to be graciously near to our colleague, QUENTIN BURDICK. In the loss of a bright and promising son do Thou support and comfort Thy servant, his wife and family, in the knowledge that though we walk through the valley of the shadow of death Thou art with us, Thy rod and Thy staff, they comfort us and underneath are the everlasting arms. Draw them and all of us closer to Thee and to one another in the bonds of sympathy and love at the departure of Gage.

O Thou who are the Light of the minds that know Thee, the Life of the souls that love Thee, the Strength of the wills that serve Thee, help us so to know Thee that we may truly love Thee, so to love Thee that we may fully serve Thee, whom to serve is perfect freedom; through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 25, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Wednesday, May 24, 1978, be approved.

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

QUORUM CALL

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order but on the off chance that one of our colleagues who is not yet in the Chamber may, on my time, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Senator has only 2 minutes.

Mr. BAKER. I shall use it.

The ACTING PRESIDENT pro tempore. That is not enough time for a quorum call.

Mr. BAKER. Very well. Then, in that view, I yield back those 2 minutes and now I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. And the time will come out of the first order.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

THE ROLE OF THE BUSINESS COMMUNITY IN CETA

Mr. JAVITS. Mr. President, on Tuesday evening I participated, by invitation of the President, at a White House meeting called by the President to discuss preparations for implementing the new private sector employment and training program which has been included as a new title VII in the CETA reauthorization bill just reported by the Human Resources Committee.

This innovative new approach, called "Private Sector Opportunities for the Economically Disadvantaged," would enlist representatives of business and labor and, as provided for in our committee bill on CETA, S. 2570 (Comprehensive Employment and Training Act Amendments of 1978) representatives of community based organizations and local education agencies, in an effort to develop and foster greater training opportunities for the structurally unemployed.

The plan is based upon the pending bill for comprehensive employment and training, S. 2570, which has been reported out of the Human Resources Committee, of which I am the ranking member, as the amendments of 1978. We will devote something in the area of $11 billion to this program and under it some 725,000 public service jobs are contemplated. But in addition to this part of the program we have inserted a new title in the act, and I have the honor to have had a good deal to do with that, which seeks to start with roughly 100,000 to 125,000 of the structurally unemployed or one might call the hard core unemployed, that is, those who have been unable to break into the business system, or those who have been so long unemployed that they are part of the structurally unemployed, through the establishment of a Government-business partnership, which will involve a subsidy for training paid by the United States out of a fund of $400 million provided for in this title VII. This will require a very creative spirit both by the Government and by business.

My own relationship to this matter has existed for a very long time because we have had on-the-job training as part of the so-called CETA program. For some time we have been studying ways to engage the constructive participation of the private business community in the employment and training of the economically disadvantaged. We have sought guidance in this matter from, among others, the Committee for Economic Development, which published a most instructive report, entitled: "Jobs for the Hard-to-Employ—New Directions for a Public-Private Partnership."

There is near universal agreement that our CETA programs have overemphasized "public" approaches to employment and training and underutilized private sector opportunities.

Of course, public sector jobs and training must be an essential element of our unemployment program, but they cannot be relied upon as more permanent solutions.

Eli Ginzberg, the Chairman of the National Commission for Manpower Policy, testified recently that we had little information about the absorption rate of CETA public jobholders into unsubsidized employment. Clearly, there is need to build the private business sector into our Federal employment and training system.

Speaking in New Orleans before the U.S. Conference of Mayors last November, I made this very point:

> In my judgment we have not made the best use of the private sector of our economy in our manpower programs. There is some OJT in CETA, of course, but I suspect the inducement for private enterprise participation is somewhat limited. I believe a private-public partnership needs to be reestablished so that the long term unemployed can be given training and a real chance at lifelong careers.

Mr. President, the administration and the Human Resources Committee, collaborating in a bipartisan spirit and led by our chairman, Senator WILLIAMS and our subcommittee chairman, Senator NELSON (I am the ranking minority member on both), have developed a proposal incorporated in title VII of S. 2570, that has the main characteristics essential for success, to wit: First, direct participation of business and labor through local councils; second, involvement of the voluntary nonprofit sector; third, emphasis on reimbursement for private sector OJT; and fourth, integration within the existing manpower services delivery system.

I might add at this point, Mr. President, that the provisions of this new program are similar in many ways to the provisions of the youth employment bill coauthored by myself and the late Senator Hubert Humphrey, and introduced in January 1977 as S. 170.

Part B, of our bill "Youth Opportunities in Private Enterprise" was designed to "foster cooperation between the public and private sectors in the development of job opportunities for youths." We proposed an emphasis on private sector OJT in these programs and provided that prime sponsors give special consideration to applications for OJT programs submitted by for-profit employers, where supportive services were provided by community based organizations. Our intent was to involve prime sponsors, business and CBO's in OJT programs for disadvantaged youth. I am so pleased that the atmosphere of collegiality that prompted Hubert and I to develop that proposal now has been reflected in this White House endeavor as well as in this congressional proposal.

The new title VII of CETA provides for the establishment of local private industry councils (PIC's), to be composed of representatives of business, labor and, (if appointed by prime sponsors), representatives of community based organizations and local education agencies, which will be the front line troops, so to speak, in enlisting private businesses to hire and train the structurally unemployed. The PIC's will go out and promote OJT contracts, as well as conduct other activities, to facilitate and simplify the involvement of private business.

Many feel that existing OJT arrangements are heavily encumbered by red-tape and the need always to substantiate the calculation of "extraordinary" expenses reimbursement.

Hopefully, the PIC's will be able to simplify this process and persuade the private sector that much is to be gained from working with the local PIC's in obtaining productive employees and in saving on the extra costs of making new people productive.

Naturally, we have sought to have active business cooperation in this program. This is the first time that the money has been provided for, hopefully it will be appropriated, of $400 million, and that business itself has been enlisted to organize itself for the purpose of doing its part of the job, and the goal of 125,000 jobs has been set this year.

The principal agency for the purpose is the National Alliance of Businessmen, and it is they, through their president, Dr. Matlack, who is chairman of TRW, Inc,. who made the presentation, in addition to the President and the Cabinet, at the White House on Tuesday evening.

The National Alliance of Businessmen is for all practical purposes a coalition of the major business and industrial organizations in the country.

There is another aspect of this which is important, Mr. President, and that is that the presence at this White House meeting of the leading business people in the country. This augured well for the hopes for success of this enterprise. Present at the meeting were the president of General Motors, the president of duPont, the president of General Electric, and many others of the chief operating officers of the major corporations of our country, including A.T. & T., through John DeButts, and others of similar quality. There was a universal pledge of cooperation.

Now, the source of these projects will be the so-called prime sponsors, of whom there are 450 of these CETA programs in the United States, and those mostly are under the control of local government, such as mayors and the equivalent officials in given labor market areas, which we have boiled down, after a lot of trial and error, to 450.

The emphasis is going to be upon the hard-to-employ and the untrained, and it will be not only a training opportunity but also an educational opportunity through this particular title.

Mr. President, this represents the fruition of a magnificent effort and, at the local level, as I said, the operating arm will be what are called Private Industry Councils Committees, what we call PIC's, which will be composed of business, labor, and, permissively, representatives of voluntary organizations and other elements which the local prime sponsor may think desirable in order to do the job.

One of the big aspects of doing this job is the fact that these are local voluntary organizations, many of which are national, umbrella, organizations which operate locally. This program will be heavily focused, as can be understood, on the minorities, because one of the most aggravating factors in terms of the figures is the fact that you have among minority youth, for example, as much as 50 and 60 percent unemployment in given depressed areas of our country, especially in urban settings, and even on the national average figures, youth unemployment among minorities runs to three and four times, which is about its average, somewhere between 18 and 22 percent of the total unemployment, so it is a very shocking figure.

Now, in absolute figures compared to a work force of some 100 million it is not that great, but the social impact and the area impact, because of the heavy impact in given areas, like my own city of New York, the cities of Chicago, Los Angeles or other centers all across the country, is extremely serious, and so the participation of so-called community-based organizations or voluntary organizations in these efforts is very important to focus on that heavily impacted group.

The other reason for its importance is that we have found by experience—and there is a great deal of testimony on this before the Human Resources Committee, of which Senator WILLIAMS, who was just in the Chamber, and I guess he still is, is the chairman and I am the ranking minority member—in order to make this work, it is not just enough to have an enterprise like General Electric, let us say, take on some thousands of young people to teach a skill, but you also have to prepare a young person for knowing how to get up in the morning, knowing how to brush his teeth, take a bus, get to work, punch a clock, and so on.

In those respects the so-called community-based organizations are remarkably successful intermediaries in that threshold training, which is really pre-skill training, and the answer is that a number of them, like the Opportunities Industrialization Centers run by the Reverend Leon Sullivan of Philadelphia, are actually in the process of training in excess of 50,000 young people constantly in the various centers in the country in just this way, as intermediaries.

Mr. President, I am very pleased that title VII makes provision for the participation of community-based organizations on the local PIC's. I was deeply concerned that the original proposal we received in February did not provide for the membership of the CBO's. I have long been impressed with the demonstrated track record of Urban League, OIC, the Vocational Foundation and other voluntary associations to act as intermediaries in preparing and placing the disadvantaged in private sector employment. It is true that not enough OJT has been done under CETA, but that is not the fault of our dedicated nonprofit organizations.

They have labored in these vineyards for decades and, in my judgment, are indispensable to the success of any program designed to get the poor into regular employment. These community-based organizations have huge constituencies and have demonstrated their effectiveness in motivating the disadvantaged and in preparing them for the world of work. The CBO's have been enormously successful in teaching marketable job skills and in inculcating the attitudes and work habits necessary to function productively in modern society. OIC, for example, has operated classroom training programs in Philadelphia and elsewhere which have been successful in placing thousands of unemployed and disadvantaged youths in the private sector.

The National Urban League, under the leadership of Vernon Jordan, has an established record in operating employment and training programs going back to 1910, and is highly regarded for its job development programs with the private sector.

And since the 1930's, the Vocational Foundation in New York, headed by Walter Thayer, has been involved in preparing and placing in the private sector the most disadvantaged of our society.

There are other remarkable successes like an outfit called VERA; SER, which is essentially heavily concentrated among the Hispanic unemployed, is another of the same type.

We have taken great pains in our committee, with the cooperation of Senator WILLIAMS and Senator NELSON, who is chairman of our Employment Subcommittee, and are as deeply committed to this as anyone, to implement these organizations into this particular plan.

These private, voluntary organizations have succeeded, and often where others, including the public sector, have not: in preparing the disadvantaged and minorities for productive careers.

In my judgment, it is clear that the involvement of community-based organizations and local education agencies is indispensable to the private sector doing its job through on-the-job training.

The Urban League testified before our committee in March and had this to say about the PIC's:

> Presently under Title I there are effective community deliverers of OJT, job training and necessary support services who have a history of demonstrated effectiveness in working with the private sector and labor communities. In order to assure non-duplication of services and the participation of present deliverers in the planning and implementation of Title VII the following is recommended:
>
> (1) That private non-profit organizations which deliver OJT, job development and other training and support services under present Title I programs be funded for similar services under Title VII through contractual agreements with the prime sponsor and/or Private Industry Council; to avoid duplication of such services in each prime sponsor jurisdiction.
>
> (2) That private non-profit organizations who are deliverers of such OJT and job training programs be equitably represented on the Private Industry Councils with business and labor.

I hope Mr. Jordan, the Reverend Leon Sullivan, and all those who have worked so hard over the years to accomplish the very goals title VII of our bill proposes to establish will realize that their place in this process and on these PIC's is secure even though their participation is permissive rather than mandated.

I am so deeply indebted to our chairman, Senator WILLIAMS, and our subcommittee chairman, Senator NELSON, that they agreed to support an active role for these intermediary voluntary organizations in this program. Their leadership in this proposal and others we have considered is well known.

So, Mr. President, I think in the Human Resources Committee we have put together the elements needed to create that public-private partnership we have sought for so long; we have the catalyst that can marshal the support of the private business community in our country.

When our CETA bill comes to the floor, perhaps in late July, I believe we will have strong bipartisan support for title VII. I know our distinguished minority leader is personally as pleased as I am at what our committee has done. We conferred frequently on this proposal and the need to get the intermediaries involved and I know title VII reflects his own views.

I think it very important, and I could not be more pleased, that both the majority and minority leaders are here, as is the chairman of the Human Resources Committee. It seems entirely proper that we should focus this kind of attention on the proposition, because businessmen have every reason to be rather cynical about Government and politicians, and are always fearful we are going to exploit them, notwithstanding their good designs.

Mr. President, the new title VII looks very promising and seems to have aroused the real interest of American business, which is a particular interest of mine, and has been, for many years and hence, its future looks quite auspicious.

Right now it looks as if the worst features of any antagonistic relationship beween business and Government have been stripped from this effort, and that the best features are very prominent both on the business side and the Government side. I hope very much that my colleagues, who can be really decisive in this matter, will take a personal interest in their own community in this ongoing effort which is so important not only economically and respecting unemployment, but the freedom itself as at least five out of six jobs are in the private sector, and we all know that unless our people wear two hats, one as a citizen in the economy and one as a citizen in the polity, both equally independent, our freedoms are in jeopardy, and that is very much, therefore, directed at the right target.

So, Mr. President, I hope very much these words will be heard and that our colleagues will interest themselves on the local level, where this will all take place, in this very promising effort.

Finally, I repeat what I said about our private enterprise-Government OJT program when Hubert and I introduced our youth bill in January 1977:

> Business can become full and equal partners with Government; partners in the preservation of free enterprise, partners in the achievement of full employment; and partners in the extension of U.S. economic democracy to all Americans.

I ask unanimous consent that various exhibits from a number of publications may be made part of my remarks.

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

The material ordered to be printed in the RECORD follows:

CARTER'S NEW PRIVATE SECTOR JOB PROJECT FOR UNSKILLED POOR TO COST $400 MILLION

WASHINGTON.—The Carter administration announced the details of its plan to enlist private businesses and labor organizations in an effort to find jobs for unskilled poor persons.

The $400 million program, called for in the President's budget proposal for the fiscal year that ends Sept. 30, 1979, actually will take shape over the next few months in a preliminary program involving efforts in 34 areas of the country.

That initial effort, to cost about $1 million, will provide funds to state and local governments as part of a "start-up phase" to test the plan while Congress considers the $400 million program.

Called the Private Sector Initiative Program, the plan ultimately will be administered by 450 state and local governments that currently are "prime sponsors" under the federal Comprehensive Employment and Training Act. Prime sponsors are governmental units that funnel federal funds into efforts to find jobs, most of them public-service jobs, for the unemployed.

But the new program is designed to open up jobs in private business to persons, mostly 18 to 24 years old, who normally have difficulty finding employment because they lack job skills. The program, as explained by the Labor Department yesterday, would be administered locally with the active participation by businesses, labor official and community-action groups.

PUBLIC SERVICE PROGRAM, TOO

Labor Secretary Ray Marshall described the program as an experiment designed to provide the "missing link" making it possible to transfer from public employment to private-sector jobs.

According to Mr. Marshall, the private-sector initiative is designed to augment the government's public service jobs program, which is projected to cost about $6 billion during the coming fiscal year. For that year, the administration wants a total of $11.4 billion for jobs initiatives, most of them designed to create jobs in the public sector.

The government currently provides about 750,000 public service job slots under the Comprehensive Employment and Training Act, and officials say the proposed private-job program would provide jobs for about 125,000 persons during fiscal 1979.

Under the program, the government will pay "stipends" to employers who agree to take on unskilled persons and provide the training they need to make them eligible for employment.

Labor Department officials said the stipends will average about $1,600 a year and range from about $300 annually for certain basic skills to $2,200 for more difficult skills. The projected jobs will carry wages ranging from the minimum wage, currently $2.65 an hour, to $5 an hour.

TO FUND TRAINING

But the officials emphasized the program isn't designed to augment the wages of those hired but to pay for the training poor persons need to help them compete for existing jobs.

Under the program, the prime sponsors will set up "private industry councils," made up of local business leaders, labor leaders and community-action groups, to act as clearinghouses to match up available jobs and training slots with job seekers.

The success of the program, officials agreed, depends on business willingness to

take on poor persons and give them training that other job applicants may have already. At a news conference yesterday, officials were questioned about the similarity between the proposed private-job plan and a current program to provide training for Vietnam-era veterans.

The government discovered from that program that many employers preferred to offer jobs to veterans without getting government reimbursements for training costs rather than become involved in the government red tape in the reimbursement process. But officials say that business has responded positively to the ideas contained in the new plan. "The reaction of the business community has been enthusiastic," said one official associated with the plan.

JOBS, JOBS EVERYWHERE—WITH HIRING HIGH AND SKILLS SHORT, TRAINING IS NEEDED

Looking for a job? It is the best of times—for people who have marketable skills. Before long they should be able to pick and choose among high-bidding employers. For just about everybody else, it is . . . well, hardly the worst of times, but at least a moment for worry. The unskilled jobless, especially if they are young and/or black, can expect little help from any further surge in business, unless job-training programs are expanded. And the nation as a whole is either at or nearing the danger point where a little bit less unemployment means a whole lot more inflation—which would hurt the jobless, retired people and even most of the employed and their families.

What has happened is an increase in hiring. Unemployment has dropped nearly two points since late 1976, to 6% last month, when 535,000 people found jobs. The 93.8 million Americans at work in April constituted 58.4% of the entire population aged 16 or over, by far the highest percentage ever; the prerecession peak was 54.7% in March 1974.

The newly employed include many people who traditionally have the most trouble finding work. In the past twelve months the economy has created more new jobs for adult women (2 million) than for men (1.6 million). Black unemployment has stayed high because of a flood of new job-seekers, but the number of employed blacks last month rose 7.2% above a year earlier, vs. a gain of 4.1% in employment of whites. The number of blacks at work jumped from 9.7 million to 10.4 million.

The growth of payrolls has been far larger than could have been predicted from any increase in sales or production. Says one bewildered Government economist: "Based on G.N.P. growth, the unemployment rate should be about 7%, not 6%." Some other experts see no mystery; in their view employers are rushing to catch up on hiring that they might have begun two or even three years ago, but put off because they feared that the business expansion would not last. Says James Fromstein, vice president of Manpower, Inc., a temporary-help firm: "Management has taken heart with each quarter of recovery, when things did not fall apart once more. When all the doubt was around, employment decisions were postponed. Now those decisions to hire cannot be delayed."

Already there are signs of shortages of skilled workers. The index of help-wanted advertising is at the highest point since tabulations began in 1951. Michigan mines and power plants cannot find enough ironworkers, pipe fitters, welders or millwrights. Allstate Insurance Co. has such difficulty hiring office help that it sends recruiters to Chicago-area high schools in search of students who are learning typing and shorthand. Says Employment Manager Charles Bashaar: "We even have the Welcome Wagon lady give a pitch for working at Allstate when she hands out gifts to newcomers in her area."

Economists differ on whether these signs add up yet to "full employment," an increasingly misleading term that is taken to mean the point at which further demand for workers sets off an inflationary wage explosion. Henry Wallich, a governor of the Federal Reserve, insists that the U.S. is already at full employment, even with a jobless rate of 6%. Liberal economists put the trigger point at 5½% or less, meaning that there is still some safety margin, but not much.

Herbert Striner, dean of the business school at American University, warns: "Wages are going to be bid up, because in another month or two we will have run through all the available skilled people. The labor market is going to get tight, and we're going to be hiring people away from each other."

Meanwhile, 6 million would-be workers—nearly all unskilled, and disproportionately concentrated among the young and black—remain jobless. What can be done for them? The answer decidedly is not to pump up the whole economy with more federal spending, bigger tax cuts or a faster rise in the money supply. That would only set off a further competition among employers to hire the skilled at inflationary wages.

The Administration has greatly expanded use of the Comprehensive Employment and Training Act, which provides states and municipalities with funds to hire the unemployed for public service jobs, such as playground supervisors or road crew laborers. CETA funding has doubled during the Carter presidency, to more than $11 billion budgeted for fiscal 1979, and the number of jobs to be filled has leaped from 310,000 to 725,000. The program, however, is at best a stopgap substitute for welfare. It takes the jobless off the streets but does not prepare them for permanent employment. Says Bernard Anderson, an economist at the University of Pennsylvania's Wharton School: "Most of the money has been spent on Job Corps-type programs of scraping graffiti off telephone poles rather than skill-training for specific jobs."

A much sounder approach would be to provide federal encouragement and money for training programs run by private business. One good model is the string of Opportunities Industrialization Centers started by the Rev. Leon Sullivan in Philadelphia and now operating in 137 communities. OIC first gives the hard-core unemployed brush-up courses in English, math, dress and deportment, then trains them for specific jobs (welding, typing, data processing), many of which, local businessmen report, are actually there waiting to be filled. In 14 years, says Sullivan, OIC has graduated 400,000 trainees and placed 300,000 of them in jobs; 80% stick.

In January the Administration put $400 million into the CETA budget to start business-conducted training programs. Some of this money will be paid to the employer to make up the difference between a trainee's worth and his wage. Last week the Administration followed up with a more generous plan: tax credits for companies that hire the hard-core unemployed, up to $2,000 for each person put to work. The cost could be $1.5 billion a year. This week President Carter will entertain 140 business and black leaders at a White House dinner and plead with them to hire and train under the program. Chances are they will agree, because blacks need jobs and business needs skilled workers.

OUR TURN TO LISTEN

Fourth. Expand on-the-job training (OJT) and apprentice ship programs in private industry, under contracts with government and under the supervision of private nonprofit organizations with proven capability in the field.

Amend Title I and Title III of CETA to allow more extensive on-the-job training for dropout teenagers, and coordinate this effort with increased permanent in-school presence of State Employment Service (as recommended in Barrier Breaker 1), and with expanded programs for cooperation among business, labor, and nonprofit organizations in hiring and training these youths.

OJT programs (under which government pays half of the training costs) now comprise only 8 percent of CETA Title I funds, and many localities offer no special assistance for minors leaving school. Yet subsidized OJT, under contracts between CETA prime sponsors and private industry, is the best currently available instrument for bringing dropout youths into the private sector where four-fifths of the jobs are found. Performance under OJT contracts can be monitored by private non-profit organizations that specialize in easing the transition between school and work for disadvantaged teenagers.

The nation's largest program of this kind is Chicago's Alliance of Business Manpower Services (CABMS), which in fiscal 1977 is expected to provide over 30,000 OJT jobs with more than 550 employers. Using a major accounting firm to simplify OJT procedures and reduce red tape, and employing management trainees to market the program, CABMS in two years has reduced approval time on OJT contracts from several months to 10 days, has substantially cut administrative costs, and has quadrupled Chicago's OJT activities. Although this effort differs from VFI's, in that only one-fifth of the Chicago trainees are under 22, there is no evidence of "creaming." CABMS clients are overwhelmingly minority dropouts without jobs for the last six months. Three-quarters of the contracts are with small businesses where the trainee-to-employee ratio is 1:4 or 1:3, and half of all the companies are minority-owned. Most of the training lasts between three and nine months, and costs less than $3,200. Few of the jobs involve unions or official apprenticeships, though union leadership participates regularly in CABMS. Retentions and positive turnovers to other jobs are estimated at more than 65 percent in the programs.

Programs of this kind, based on cooperation between business, labor, government, and nonprofit organizations, should be launched in major American cities and focused on the problems of the minority high school dropout. Businesses reluctant to hire disadvantaged youths because of the many special costs and disincentives, nonetheless will be more encouraged to participate in subsidized OJT with the assistance of nonprofit intermediaries like CABMS and VFI.

These programs will require approximately one-billion dollars of additional money for Title I and Title III of CETA—much of which could be shifted from Title II Public Service Employment and from Public Works funds, far less cost-effective in delivering jobs to the disadvantaged.

Mr. JAVITS. I yield to my colleague, the minority leader.

Mr. BAKER. Mr. President, I thank the Senator from New York for yielding. It is a great pleasure for me to have an opportunity this morning to join in this colloquy with the distinguished senior Senator from New York (Mr. JAVITS). There are few, if any, Members of this body who have been as instrumental in expanding the role of community-based organizations in the training and employment of the jobless than Senator JAVITS. I commend him for his work in this area and pledge my support for his efforts in the future to strengthen the role of community-based organizations.

I am particularly pleased, Mr. President, that President Carter has seen fit to recommend the appropriation of $400 million to support the creation of private industry councils. I am particularly pleased, again, to see the administration

embrace the concept of targeted tax credits as a means of encouraging private sector employers to hire the hard-to-employ. Both Senator JAVITS and I recommended the use of targeted tax credits for that purpose months ago, and I am certain that the distinguished Senator from New York was encouraged to see the administration come to this position. I commend Senator JAVITS for his leadership in the conceptualization of these efforts and his energy in pursuing that initiative.

The administration's proposals are significant, Mr. President, not so much because of their specific provisions, but because it indicates an increasing recognition of the fact that the private sector is the only real answer to the problem of structural unemployment. Last year, an unprecedented 4 million jobs were created in the private sector simply because the economy was expanding at a moderate rate. All of our best efforts here in Washington cannot compare to the capacity of the private sector to generate new jobs in an expanding economy. However, even in an expanding economy, there are those whom businesses are reluctant to employ for a variety of reasons. That is why community-based organizations and private sector job incentives are so necessary and important.

The $400 million sought by the administration for the creation of private industry councils represents a good start, in my judgment. However, much more can and should be done.

The targeted tax credit recommended by the President and aimed at the handicapped and unemployed youth is also a step in the right direction. However, it is not enough. For instance, Senators BELLMON, DANFORTH, RIBICOFF, and I have recommended in a welfare reform proposal a two-pronged private sector job creation effort.

We have proposed an expanded tax credit targeted at unemployed youth, employable AFDC recipients, and the long-term unemployed. We also suggested the creation of a jobs voucher program aimed at the same group of people. The reasons for two private sector employment initiatives, instead of one, are several.

First, the job creation tax credit concept is already in law, even though its success apparently has been limited. We believe that by targeting it and improving it in other ways, it can have a substantial impact on unemployment. However, the tax credit alone is not sufficient, because there are some businesses that are not eligible to participate. Those include firms which have not increased their employment over the previous year, as well as organizations which pay no taxes.

Another reason for a jobs voucher program is to test a concept which has been debated at great length, but never really tried. It is for that reason that I was very pleased to see the Human Resources Committee provide for a large demonstration project for job vouchers under title III of the CETA Reauthorization Act recently reported out of that committee.

The important considerations to bear in mind with respect to any private sector jobs program include the following: The necessity to minimize paperwork and the specter of Government supervision or intrusion in the affairs of businesses inclined to participate; the importance of aggressive advertising at the local level so that the private sector is fully aware of the existence of the incentives; proper targeting so that the incentives encourage the hiring of the hard-to-employ but do not so restrict the eligibility of the program to those most stigmatized in the employment context; and the propagation of a positive attitude among the private sector not only about the efficacy of the program, but also the significance of their contribution to solving one of this Nation's most serious problems.

Finally, Mr. President, the significance of community-based organizations in bridging the gap between the public and private sectors cannot be overemphasized. In the bill which I mentioned previously, we provide the Governor of each State the option of using community-based organizations not only for providing training and employment, but also as the administrative agency for the private sector jobs programs at the local level.

Mr. President, I ask the Senator to yield further only to say we are all indebted to him for his long, enlightened initiatives in this field, and again, as I have on previous occasions, I rise to commend him for what is not only important, but especially and uniquely the product of the fertile mind of the distinguished Senator from New York.

Once again, I commend the distinguished senior Senator from New York for conducting this colloquy, and look forward to further discussion of these issues in the near future.

Mr. JAVITS. Mr. President, I thank the Senator for those kind words. A number of other names should be listed in this connection, among them that of the Senator from Pennsylvania (Mr. SCHWEIKER), who ranks next to me on the Human Resources Committee and who worked with me on this matter, and the Senator from Georgia (Mr. TALMADGE), who has joined with me and Representative RANGEL of New York in sponsoring a bill for tax credits for initiatives of this kind.

I ask unanimous consent that our "Dear Colleague" letter dated March 23, 1978, be printed in the RECORD, as a part of my remarks.

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

YOUTH EMPLOYMENT PARTNERSHIP ACT

DEAR COLLEAGUE: The Youth Employment Partnership Act of 19788, S. 2436/H.R. 11230, would replace the existing Jobs Tax Credit, due to expire on January 1, 1979, with a tax credit targeted specifically to the hiring of long-term unemployed teenagers.

Youth unemployment, particularly among minorities and in the inner cities, persists at intolerable levels, despite continued economic recovery of 1977 that has led to the creation of over four million new jobs. Indeed, the officially recorded unemployment rate for non-white youths was higher in January, 1978, than in January, 1977, even though the national unemployment rate fell in 1977 from 7.4% to 6.3%. Many observers believe these official statistics grossly understate the magnitude of youth unemployment in our country.

Federal jobs and training programs, such as the new Youth Employment and Demonstration Projects Act of 1977, can give some temporary relief but, because current appropriations enable us to reach only about 15% of the total number of unemployed youth and, because the programs do not offer career opportunities, they cannot be relied upon indefinitely. Since the problems of youth unemployment can best be addressed by the private sector, there is a critical need to generate private employment.

Accordingly, the Youth Employment Partnership Act would provide a refundable tax credit for private companies that hire and train either long-term unemployed youth or those youths who have been enrolled in CETA programs.

Our bill requires that for a firm to be eligible for the credit, overall FUTA wages must equal or exceed the previous year's FUTA wage base—defined as that part of the wage upon which unemployment insurance contributions are based. The maximum limit for this is $6,000 per year per employee for whom unemployment insurance contributions are paid by the employer. The amount of the credit, therefore, would be equal to one-half of the increase in the unemployment insurance wage base paid youths in excess of the previous year's aggregate unemployment insurance wage base. Hence, the maximum allowable tax credit per annum per such new employee would be $3,000.

This tax credit incentive would involve little administrative difficulties, would not substitute teenagers for existing employees, would involve little or no windfall for employment that might have occurred without the credit, and, finally, would involve little or no certification redtape for the firm.

The existing Jobs Tax Credit law has been found to have a number of deficiencies which the Youth Employment Partnership Act would remedy. First, the existing jobs credit is calculated from a base amounting to 102 percent of the previous year's unemployment insurance wages. The Youth Employment Partnership Tax Credit would be calculated on a base of 100 percent of the previous year's wages and, thus, provides a subsidy to to employer for hiring unemployed teenagers.

Second, because the Jobs Tax Credit is applicable for the hiring of any individual, there is no incentive to hire those who are most severely disadvantaged in the labor market. Our tax credit, on the other hand, is targeted exclusively at the hiring of teenagers whose history of long-term unemployment suggests the need for some employment cost subsidy and makes it unlikely that they would have been hired in the absence of the tax credit incentive.

We believe the Youth Employment Partnership Act can initiate a new spirit of collaboration between business and the Federal Government in the amelioration of one of our country's most severe economic and social ills. Indeed both the Committee for Economic Development and the National Urban League have endorsed the concept of providing special tax incentives for the hiring and training of unemployed youth.

We hope that you will give careful consideration to this bill and that we will have the benefit of your support and co-sponsorship. If you have any questions or require further information, please call Jim O'Connell (4–7686) or Bill Signer (5–4365).

Sincerely,

CHARLES B. RANGEL,
Member of Congress.
JACOB K. JAVITS,
United States Senator.

Mr. JAVITS. Mr. President, I wish to call attention to the fact that a member of the British Parliament, Mrs. Lynda Chalker, is my guest this morning. She has communicated to me, and I am

deeply indebted to her, the British experience with the intermediaries which I have described in my speech, and which she has emphasized are a necessary part of the effort we are about to undertake.

I now yield such time as I have remaining to the Senator from New Jersey.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. ROBERT C. BYRD. Mr. President, I understand that the Senator from Texas (Mr. BENTSEN) does not wish to use the time allocated to him. I ask unanimous consent that that time be placed under my control.

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

Mr. ROBERT C. BYRD. I yield to the Senator from New York for 5 minutes.

Mr. JAVITS. I thank the Senator. I yield to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I rise to applaud the Senator from New York for taking this time to describe an important initiative that is new and yet an outgrowth of the many initiatives generated within our committee in connection with the CETA program. Certainly this new initiative through the President's program is not only most welcome, it is an element that is so greatly needed; and the enthusiasm of the business community, small businesses and large businesses alike, is remarkable.

We shared an afternoon and evening under the auspices of the President in the White House on Tuesday. The crosssection of business interest was complete and their enthusiasm refreshing and encouraging. It demonstrated that all of the attitude that will make an effort to move is there. The business people want to participate in this program of bringing jobs—and more than jobs, job training—to those who are finding it hardest to get meaningful and lasting jobs in this country.

Adapting this concept in the CETA bill that we have reported, together with the President's promise of $400 million for the program, augur well for it. In the first wave of response, 100,000 unemployed young people will benefit, then, in the time frames that are set, 200,000 and then 300,000, and this is one of the most promising responses we have seen for those whom we call the structurally unemployed. All of the necessary elements are together, including the capability to address the problem effectively and, most importantly, commitment and enthusiasm. Certainly the Senator from New York has done a real service to focus here in the Senate on this very, very worthwhile new initiative.

Mr. JAVITS. I am very grateful to my colleague, and thank the majority leader very much for his gracious courtesy and the minority leader for his participation in this discussion.

THE STATE OF THE ECONOMY

Mr. ROBERT C. BYRD. Mr. President, we are seeing increasing signs that the administration and the Congress have been making the right choices these past 16 months in their decisions regarding the economy. This is not to say that the economic picture is altogether rosy. Indeed, according to economic analysts, insuring continued economic growth will necessitate a fair-sized tax cut in fiscal year 1979.

The point that I wish to make is that there is much that is right about our economy—much that is right because of decisions made in light of the priorities of this administration

Most importantly, unemployment is at the 6-percent level, the lowest it has been in some 3½ years. The economic stimulus program proposed by the administration last year and passed by the Congress is to a considerable extent responsible for the dramatic increase in the number of employed persons and the drop in the number of jobless.

The improved economic picture is not limited to the employment situation. To get a sense of where we are, just take a look at the statistics reported last week. Personal income jumped 1.4 percent in April; this was the second such consecutive increase. Industrial output spurted 1.1 percent in April. Housing starts rose 6 percent in April after a record 31-percent gain the previous month.

The improved economic picture is also reflected in the status of the U.S. dollar. Pressure against the dollar has abated markedly in the past several weeks with the result that some of the value it had recently lost has been regained.

What this adds up to is that our economy should experience a strong second quarter; indeed, some analysts think that real growth in April, May, and June of this year may be as high as 8 percent. In short, currently there is considerable forward momentum in the economy although the expectation is that the rate of growth will moderate later this year.

Now, in order to sustain the forward momentum of the economy it is absolutely necessary that we persevere on the anti-inflation front. The pricing and economic decisions to be made in the months ahead by labor, business, and government must be consistent with the development of wage and price stability. The administration has proposed a good anti-inflationary program which I believe has the potential to bring down the rate of inflation.

It can and should be perfected, but most importantly it should be given a chance to work.

Success on the anti-inflation front—which can be achieved but not achieved easily—will mean that the administration and the Congress will have succeeded in steering the economy toward balanced growth—which means full employment and price stability.

I realize that it is currently fashionable to criticize the administration's anti-inflation program as doing too little; the same criticism was made last year of the stimulus proposals. I believe, nonetheless, that the administration's approach to combating inflation can guide our economy in the right economic direction, a direction which—if followed—will produce the same positive payoff as did the economic stimulus program enacted last year.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands and Resources of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider S. 707 and S. 3046, the Coal Pipeline Act of 1978.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to consider a prisoner exchange treaty with Bolivia.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to consider S. 2995, legislation on the National Visitor Center.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Health and Scientific Research of the Committee on Human Resources be authorized to meet during the session of the Senate today to consider S. 3115, the National Disease Prevention and Health Promotional Act of 1978.

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

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

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

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

LABOR LAW REFORM ACT OF 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 8410, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

The PRESIDING OFFICER. The Senator from Utah (Mr. HATCH) is recognized.

Mr. HATCH. Mr. President, this morning in the Washington Post is an article I would like to characterize as excellent because of its factual data. I think it is

a good job of investigative reporting. That is the article by Jerry Knight, one of the Washington Post staff writers, entitled "SBA Withheld Criticism of Labor Law Revisions."

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

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

[From the Washington Post, May 25, 1978]

SBA WITHHELD CRITICISM OF LABOR LAW REVISIONS

(By Jerry Knight)

A Small Business Administration staff report highly critical of Carter administration-backed labor law revisions was withheld by the SBA for three months and released only after the Labor Department had written an accompanying rebuttal.

The SBA report claims the proposed changes in union organizing laws now being considered by Congress "would trip the delicate balance which exists between small business and labor in favor of the latter."

The report notes that labor unions in 1976 won 58.6 percent of their organizing elections in firms with 10 or fewer employes, compared with 50 percent of the votes in firms with up to 500 employes.

Describing proposed deadlines for action on labor organizing efforts as "quickie elections," the report calls other parts of the bill "patently discriminatory," and says "small firms will be most vulnerable" to the changes in labor laws.

The report was written by SBBA's Office of Advocacy, a small bureau created by Congress two years ago to assess the impact of government policies on small businesses and to act as a voice for small firms.

The Office of Advocacy in late January gave SBA Administrator A. Vernon Weaver its analysis of the labor law revisions that passed the House last session and now are the subject of a Senate filibuster.

The report was considered so sensitive that its authors made only six copies, carefuly coding each of them so leaks could be traced, then locked up the computer tape used to reproduce the reports on automated typewriters, according to SBA sources.

The SBA document remained secret until a few days ago, when—after more than two weeks of cajoling—Weaver turned over a copy to Sen. Orrin Hatch (R-Utah), a leading opponent of the labor law overhaul.

Accompanying the eight-page report—which carries two separate disclaimers stressing it "does not represent the official position" of the SBA—was a nine-page response from the Labor Department.

Along with both reports came charges from Hatch and SBA career employees that the White House Office of Management and Budget and the Labor Department tried to make Weaver keep the report secret and to intimidate its authors into changing their assessment of the bill.

OMB and Labor spokesmen yesterday denied they sought to suppress the report.

Recounting a series of phone calls to Weaver and lengthy delays in getting the report, Hatch said, "I don't think any United States Senator should have to go through this much pain just to get information like this."

One of the authors, attorney Michael Cawley, left the SBA recently after his temporary assignment ended and he was not reappointed. Another, Steve Mollett, director of the Office of Advocacy, has told coworkers he fears he will lose his job in an SBA reorganization now under way.

Mollett yesterday termed the report "a hot potato" that "certainly does not reflect the administration position" on the labor law revisions.

"If they had just released the ——— damn paper back in February, I don't think it would have been as volatile as it is today," said Mollett.

He confirmed that the Office of Advocacy was asked to rewrite the report, but declined to do so, apparently leading backers of the legislation to get the Labor Department to write a rebuttal.

SBA chief Weaver could not be reached for comment. Describing the flap as "an embarrassing situation," a spokesman for Weaver said he had sought Labor Department advice to get a more balanced picture of the impact of the bill.

"Weaver is on record supporting the bill," said the SBA press officer. Privately, however, Weaver is said to have defended his staff and expressed misgivings about the legislation.

SBA sources said Weaver feared making the critical report public because he had already been called on the carpet at the White House for another Office of Advocacy report. The office last year published a study saying the then-proposed consumer protection agency would harm small businesses. Under orders from the White House, Weaver wrote letters to members of Congress saying the SBA supported the consumer agency legislation, which died in Congress.

The author of the consumer agency report, a GS15 named Barbara Dunn who had worked for the government for less than a year, was later fired.

An aide to Labor Secretary Ray Marshall said that department prepared its response to balance an unfair report by SBA's Office of Advocacy. "Every time a piece of social legislation like this comes down the pike, this group at SBA does something like this," he complained.

Mollett responded that his nine-member office is supposed to represent the position of small businesses, adding that "95 percent of small businessmen are opposed to this bill."

The SBA study says that if the measure becomes law "a largely unorganized management (will be) pitted against an efficient and effective union effort."

It criticizes "equal access" provisions of the law which would allow union organizers to talk to workers on the job if management decides to address workers on the job. While the Office of Advocacy says this would "penalize employers for utilizing the only available forum," the Labor Department response contends it would put labor and management on an equal footing.

Also criticized is a provision of the law that would allow companies found guilty of willful violation of orders of the National Labor Relations Board to be denied government contracts. The report contends this will make union organizing easier at many small companies that operate under SBA's 8A program for minority firms. The small firms will give in to unionizing efforts rather than risk losing the government contracts on which they depend, the study predicts.

The Labor Department counters that the threat of losing government contracts is used as a penalty in enforcing equal opportunity and other laws and does not single out small business.

The department also says that "employers have an overwhelming advantage" in telling their side of the story to employees, requiring changes in the law. It contends that deadlines for holding elections on union representation are needed to keep employers from stalling indefinitely to avoid a vote.

Mr. HATCH. I shall not read this article because almost everyone has read it. I do compliment Mr. Knight. As an investigative reporter, I believe he has done an excellent job of delving into the facts, of finding out the true state of facts regarding this particular controversy. Other than a few parts that I would personally change if I were writing it, I think it is an excellent article and makes very good points.

One of the things I would like to say is that having been personally involved in what was a very difficult time in getting this Office of Advocacy report, it pleases me that people in the media are interested enough in trying to get the actual facts in this matter. There are some facts which are not included in the report, though I believe I have covered a number of them in prior comments on this particular issue.

What bothers me is that any Senator, regardless of his lack of seniority, regardless of his party affiliation, should have to go through the pain that I had to go through to get that Office of Advocacy report.

I really believe that the bureaucracy should be amenable and cooperative to Senate requests. Whether it is this particular problem or problems raised by my friends, Senators ABOUREZK and METZENBAUM, with whom I disagreed in the Pearson-Bentsen debate, I think there should be cooperation.

I do congratulate the head of the Small Business Administration because he felt we deserved this information. The impoundment was placed on the information by the Office of Management and Budget, which I believe received its orders from somebody at the White House. I do not know who at the White House gave the orders, but this was not the first time that we have been stonewalled on obtaining information which was uncharacteristically, for this administration, unkind to this particular bill.

The first time was when, having learned that a report existed, we tried to get the economic impact analysis done by the General Counsel's Office of the National Labor Relations Board. I cannot begin to tell you, Mr. President, the frustration that we went through just trying to get that economic impact analysis. And that was before this bill was to be reported by the committee. The fact of the matter is that it was the type of information which the committee needed before it did report the bill. In fact, we did report the bill prior to getting that information, which was also impounded by Mr. McIntyre of the Office of Management and Budget.

In the same way, the SBA Office of Advocacy report was stonewalled. That bothers me.

There are two views within the administration concerning this bill. There is the view of Mr. F. Ray Marshall, who is the Secretary of Labor, that this bill is the nirvana for the labor movement. I would have to agree with that particular characterization, that it is the nirvana for the labor movements, but it is the depths, or as the teenagers say today the pits, for everybody else. That viewpoint has been adequately expounded by the administration and by admininstration leaders all over the country.

On the other hand there is a large segment of career civil servants, who really want to do what is right in matters such as this, who indicate that this bill has basically no redeeming social

significance or consequences, and that this bill really will be detrimental not only to small business but to almost every business in this country and in the end really, I believe to the employees themselves most of all.

Regardless of these two particular points of view, and they are divergent points of view, I do not see why this administration or any other administration should try to stonewall these records and these reports. I think in the process they have done the proponents of this particular bill a great disservice because in the process they have made it look like they have something to hide, like they really have something to hide.

As a matter of fact, during the frustrating process of trying to get these two particular bits of information, which are crucial to an understanding of this bill, I have to admit I felt as though not only were they trying to stonewall it but they were trying to, in an undignified and I think totally irresponsible way, promulgate only their point of view irrespective of the fact that there can be differing points of view on legislation such as this.

I have indicated in the past when I have discussed this bill on the floor that I was raised in the union movement and I have a lot of respect for it. I do not want this delicate balance which presently exists to be tilted in favor of large corporations. I just do not want that to happen. I believe I would fight just as strongly against a tilt toward the large corporations. This is more than a lift if this bill passes. This will be a landslide toward the Washingtonian labor union leaders' points of view.

I believe what we should be doing in legislation like this is to try to come up with the best legislation which will be good, balanced, and reasonable for everybody. If we have ills on both sides—and I pointed out a number of ills yesterday just as a preliminary to future speeches on this matter—we ought to correct them. If we are going to call something "reform," then it ought to be reform. It ought not to be an easy organizing bill such as this, a bill which I think oppresses certain businesses in this country, certain employees in this country, and, I think, the country as a whole.

We have had more than ample evidence that this bill is inflationary, or would be inflationary if it passed; that it would be detrimental to small business; that it would be detrimental to big business; that it would be detrimental to employees; that it would be very beneficial for those who want to organize America. If that is the greatest goal of America, then this bill certainly should be given great consideration, as I am sure it will be.

But I do not think that is the greatest goal in America. I think the greatest goal in America is fairness, decency, balance, and an even-handed approach toward all segments of our society, not just an overhanded approach to one segment in society.

With regard to the Patrick Caddell Cambridge research poll:

Mr. President, we in Washington, it seems to me, need the support and opinions of our countrymen. We get all kinds of advice every day, in the press, on the radio and television, in letters from our constituents, and so forth.

Yesterday, the distinguished minority leader released a poll taken by an American poll taker which gave us the results of findings he has uncovered in the last few weeks. This was a nationwide survey on what the American public thinks about labor unions and the need for legislation on this subject.

Mr. President, this new survey is especially timely since we are at this moment engaged in debating this bill to give unions more power and to help them to expand their union membership, especially since over the last 2 years they have lost 760,000-plus dues-paying members, better than 51 percent. They have lost better than 51 percent of the representational elections. They have lost better than 51 percent of the decertification elections.

They have been losing local unions across this country. And, of course, they have had very great difficulties in some ways because, I believe, the labor movement in America is becoming too fat and too Washington-oriented; Washington-oriented in the sense that they play centrally-planned economics over the free enterprise system, which creates jobs in our society. It seems to me they are centralizing on creating public-sector jobs, rather than private-sector jobs, jobs which, I submit, would be the lifeblood of the union movement if they would just recognize it.

Mr. President, Patrick Caddell, Jimmy Carter's personal poll taker, has come up with a conclusion based on extensive interviews that "most Americans do not favor efforts to expand the power of unions or to make it easier for them to gain additional power."

They might have trepidation, Mr. President, in that particular comment. The public is saying that unions today have overstepped. Pat Caddell's survey findings leave no other conclusion.

Mr. President, to be brief, I shall sum up the results of this just-concluded poll by President Carter's own poll taker.

The results, announced yesterday, are that two out of three Americans oppose the Carter-Meany bill to give unions more power. I repeat, Mr. President: two out of three Americans oppose the Carter-Meany bill to give union bosses more power.

Let me elaborate.

Mr. Caddell's survey concludes that the direction of labor law reform Americans desire is to reduce labor union power—not increase it as the bill before us proposes.

Of the 45 percent who said they favor changes in the law 28 percent said unions have too much power, unions are too strong, unions want to take over.

The next target group—7 percent—said we need provisions against strikes or controls on strikes.

The next three groups cited higher wages, better treatment of workers, or protection against discrimination.

The poll said:

> The survey conducted for the American Retail Federation to measure the attitudes of adult Americans toward Labor Law "Reform" found that when most Americans think of Labor Law "Reform" they do not think of the kinds of changes envisioned in the Labor Bill (H.R. 8410), now being debated by the Senate.
>
> Sixty-five percent oppose the bill's provision to allow labor union organizers to go onto the property of businesses at any time, including working time, to recruit members.

The distinguished chairman of the Human Resources Committee pointed out yesterday that that question could have been better worded. That is true, except other polls indicate the same thing where the questions have been better worded. In fact, if anything, they are stronger against this equal access provision. Or should I say this "equal" access provision.

> On the controversial section in the bill on union elections, 70 percent think employee elections should be held only after a waiting period such as a month, while 79 percent say that before a union strikes, a secret ballot should be held among all members to see whether they want a strike.

That is extremely interesting to me, because one of the major provisions that we offered in our employee bill of rights, which I feel was ignored in committee, was that union members should have a right to vote with regard to strike votes, and it should be by secret ballot, to determine whether or not they want to strike and whether or not they want to end a strike, or on any other aspects of strikes.

The public affirms the right of unions to exist, but the public also receives, 44 percent, that present laws are tilted in favor of unions.

I might add that I am not so sure that the present laws should not be tilted in favor of unions. I think they are, also. When I recall what happened through the 1800's in the industrial explosion and around the early 1900's. I can see why the laws have been tilted in favor of unions. This particular bill is ridiculous, because it is not a tilt, it is a landslide.

Only 31 percent say business gets an edge. Forty-four percent have said that the present laws are in favor of unions, but only 31 percent say business gets an edge.

Fifty percent of the public was found by President Carter's poll taker to believe that unions have more power than business, Thirty-three percent think business has more power.

President Carter's poll taker found that 53 percent of the public feels labor unions have too much political power.

Only 7 percent—I repeat, 7 percent—think unions have too little power.

Hear this: President Carter's poll taker found that 57 percent of the public thinks that the ability of labor unions to contribute to political candidates ought to be restricted.

The poll said:

> Most Americans feel labor is already powerful enough—if not, indeed, too powerful already.

Mr. President, this poll by President Carter's own public opinion consultant is one of many polls on this same subject. It confirms what many other reputable polls already have disclosed.

However, before I tell you about the other polls, I would like to elaborate a bit on this one.

It was released just yesterday by Cambridge Reports, for the American Retail Federation.

The American Retail Federation is composed of 50 State retail associations, the District of Columbia Board of Trade, and 31 national retail associations. Also individual retailers.

The Federation represents 1 million—I say again, 1 million—retail establishments. These enterprises employ nearly 14 million employees.

Mr. President, these retailers are worth listening to. They are the backbone, the grassroots of American enterprise. They made this country strong. They are independent, courageous, sound, high-minded—in short, Mr. President, they are the largely small businessman—who makes the economy tick. They are what America is all about.

I have told you what Jimmy Carter's poll taker uncovered about what Americans think about labor unions. I shall tell you about some other polls which basically tell the same story.

Other major public opinion polls disclose widespread antiunion attitudes of the American public. Caddell is not alone.

The polls are by Opinion Research Corp. Gallup, Lou Harris, Roper and Yankelovich.

These polls also show very little support for Federal legislation which would make it easier for unions to organize nonunion workers.

They further agree that the public has lost confidence in labor unions and their leaders. A majority of Americans feel that the power and political influence of organized labor already is too great.

The Opinion Research poll finds that very little support exists among members of the public for legislation to make it easier than it is now for unions to organize nonunion employees.

Indeed, the bill to make it easier for unions to organize does not command majority support among current union members. Only one-third support the idea. Almost half of union members polled think that present laws should not be tampered with.

The majority of Americans believe that the power and political influence of organized labor already is too great, and 63 percent of respondents say labor leaders of big unions are too powerful. The poll finds that this is the view of the majority of people in all major political subgroups—liberals and conservatives alike. Union members share this attitude.

Finally, the majority of Americans feel that labor union heads are too much involved in political action—primarily for their own interests rather than that of their members. Union members feel the same way.

In May 1977, the Gallup poll indicated firm public opposition to forced union membership.

Late in 1977, the Lou Harris poll showed only 15 percent of the American public has much confidence in labor, compared with 23 percent for business. The Harris poll found that 39 percent of Americans felt that labor leaders are representative of their constituency, while 45 percent of business leaders were believed representative.

The Roper polls in 1977 indicated a lessening of confidence in labor, and the Yankelovich Corporate Priorities Report for 1977 disclosed a steady antiunion attitude of the public. The public feels that wage rates for union workers have risen too fast and too far.

Still another survey by Mr. Caddell—Cambridge Report No. 9—indicated that a large majority of the public want to reduce unions' political influence. Many Americans favor keeping unions out of political activity entirely.

All the other major polls, with the exception of one by the AFL itself, report similar data. For example, a May 1977, Gallup poll indicates a strengthening in public opposition to forced union membership.

A late, 1977, Lou Harris poll shows that only 15 percent of the American public has a great deal of confidence in labor, while there is 23 percent for business. When asked by the Lou Harris organization whether labor leaders are representative of their constituency, only 39 percent of those questioned felt they are representative, whereas business leaders were thought by 45 percent to be representative. Importantly, the public felt that business has become more representative but labor has become less representative.

The Roper organization has released several reports during 1977 which show a gradual disenchantment with labor, a steady decrease in public confidence.

The Yankelovich Corporate Priorities Report for 1977 follows a similar pattern. Their recent research indicates that the general public's attitudes have a steady growth curve toward antiunionism. The general public believes that wage rates for union leaders are held in less regard than business leaders in ratings of both credibility and confidence.

I might add, this is one of the reasons I dislike this bill so much. I really believe if it is passed, it is going to create even more antiunion sentiment in this country. I think it will be devastating to the union movement as well as small business.

In the end, I think we will wind up very much like England.

The Cambridge Report No. 9 contains a chapter on American values regarding work. One of the conclusions is that an equally large majority of the American people want to reduce the unions' political influence. There was also a small shift away from a prolabor position of giving labor a voice in business' management and a steady majority continue to favor breaking up the unions. But, the strongly held opinion is that the majority of Americans would like to keep unions out of all kinds of political activity.

In summary, the polls show very little support for the passage of Federal legislation that would make it easier for unions to organize nonunion employees. All the polls shows that the public has lost confidence in labor unions and labor leaders, and the majority of Americans think that the power and political influence of organized labor already is far too great. The various polls cited confirm our support for defeating the so-called labor law reform bill S. 2467, now H.R. 8410.

Mr. President, I notice the distinguished Senator from California is here. I am delighted to yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. I thank the Senator from Utah.

Mr. President, when I last spoke on the history of racism in the American trades union movement, I was calling attention to the shameful history of the union label which union people are so proud of today.

But the original purpose, I was saying, of the union label was to say, "This cigar is made by white people and not by Chinese."

That use of the union label as a racist designation to keep the Chinese out of work was invented and pushed by the San Francisco Cigarmakers Union. They extracted a promise from the producers that all Chinese would be removed from the industry the moment white workers could be found to replace them.

Meanwhile, organized labor in general responded to the controversy in the cigar trade by mounting a new attack on the Chinese. On November 30, 1885, delegates from 64 Pacific coast organizations gathered at an extraordinary congress to frame a program against the Chinese "menace." Represented were trade unions, radical and conservatives alike, the Knights of Labor, the Anarcho-Communists of the International Working People's Association, and the Socialist Labor Party. "It was," said the chairman of the congress, "a queer combination of heterogenous elements." But on one thing they could all agree: that the Chinese must go. The question was how and when.

It did not take the congress long to take up the question. One of the representatives of the Sailors' Union offered a resolution to expel the Chinese from San Francisco within 60 days. But the conservatives, consisting mainly of Knights of Labor delegates, thought labor should not lay down ultimatums which it could not enforce except by insurrectionary violence. Opposing the resolution too were the more principled members of the Socialist movement.

The advocates of immediate expulsion came from the left. Generally, those of the extreme left were the more intense in their desire to take up arms against the Chinese. One member of the International Working People's Association, a sailor named Alfred Fuhrman, maintained that the Chinese should be thrown out of the city at once. He asserted:

> By force is the only way to remove the coolie and 20 days is enough to do it in.

Under this kind of pressure, the congress passed the resolution by a vote of 60 to 47. Most of the representatives of the Knights of Labor then left the hall; they refused to be part of an organization openly advocating force and violence.

The other trade unions in the congress were perhaps as adverse as the Knights to force and violence, and they had no intention of honoring the resolution. But they wanted the Knights to leave the congress, and so used the militant radicals for their own ends. After the Knights left, the trade unions demanded that the resolution be reconsidered on the floor. Reference to an exact time period for the expulsion of the Chinese was deleted. In its final form the resolution merely expressed the sense of the congress that the Chinese should leave San Francisco and the Pacific coast. The congress did, however, establish a trade union council for San Francisco—later the Federated Trades Council, then the San Francisco Labor Council—that over the next decades remained in the forward ranks of the crusade against the oriental races in America.

These extraordinary stories, it is hard to believe, all actually happened once in our country, after all our uproar against racism. But racism, for the longest time, was simply built into the whole labor movement. It was one of the fundamental platforms.

The American Federation of Labor's predecessor and parent organization, the Federation of Organized Trades and Labor Unions, at its first convention in 1881, condemned the Chinese cigarmakers of California and recommended that only union label cigars be bought. But the leaders of the Federation—after 1886 the AFL—were not content merely to sanction, perhaps cynically, the movement against the Chinese. Instead, they became the most articulate champions of the antioriental cause in California. Although we honor his name today, no man was more persistent in providing leadership and support in these racist endeavors than Samuel Gompers, the president of the AFL—except for 1 year—from its inception to his death in 1924.

He was himself an immigrant Jew who had early in his life embraced Socialist ideals of brotherhood and the solidarity of the toiling class. But he later repudiated these ideas and became the major spokesman for concepts of racial and national superiority within organized labor.

What he really thought of Oriental workers—leaving aside his professions of "profound respect" for them in the autobiography he wrote in the last years of his life—is best revealed in a tract that he and another official of the AFL, Herman Gutstadt, coauthored at the turn of the century. Its title, "Some Reasons for Chinese Exclusion: Meat vs. Rice, American Manhood Against Asiatic Coolieism—Which Shall Survive?" will give an accurate enough idea of its content. First published in 1902, the pamphlet was written at the behest of the Chinese Exclusion Convention of 1901. Its purpose was to persuade Congress to renew the exclusion law, due to expire the following year. Gompers states:

> The racial differences between American whites and Asiatics would never be overcome. The superior whites had to exclude the inferior Asiatics by law, or if necessary, by force of arms.

The Chinese were congenitally immoral:

> The Yellow Man found it natural to lie, cheat and murder and 99 out of every 100 Chinese are gamblers.

Gompers draws all the arguments that the anti-Chinese forces had been advancing since the 1850's. Only now they are decked out in new dress, for this is the period when the West trembled at the yellow peril and imagined that the dread Mongol hordes were about to march again. The Chinese conspire to overcome class differences, thereby placing white labor at a serious disadvantage. He stresses a familiar theme: the tendency of the Chinese to relentlessly degrade labor and create a new servile element in society.

Modeling himself on a Victorian dime novelist, Gompers conjures up a terrible picture of how the Chinese entice little white boys and girls into becoming "opium fiends." Condemned to spend their days in the back of laundry rooms, these tiny lost souls yield up their virgin bodies to their maniacal yellow captors. Gompers writes:

> What other crimes were committed in those dark fetid places, when these little innocent victims of the Chinamen's wiles were under the influence of the drug, are almost too horrible to imagine. . . There are hundreds, aye, thousands, or our American girls and boys who have acquired this deathly habit and are doomed, hopelessly doomed, beyond a shadow of redemption.

"Meat Against Rice" was reissued by the Asiatic Exclusion League in 1908, 6 years after it had been first published. Yet, the Chinese question had long since closed, the third and final exclusion law having been enacted in 1902. Gompers and the labor federation arranged for its reissue because the "Mongolian menace" had suddenly reemerged. This time the enemy were the Japanese, several thousand of whom were immigrating to the United States every year.

Accordingly, all that Gompers had said about the Chinese was applied with equal force to the Japanese. Having learned much from its experience in the attack upon the Chinese, organized labor once again assumed leadership of the campaign and did not rest until the Japanese too had been driven out of competing occupations and denied entry into the United States. The Japanese immigration came considerably later in American history than that of the Chinese.

Before 1890, only a handful of Japanese had emigrated to the United States, less than 150 in all. Japan was closed to the world until 1853, when Admiral Perry's fleet opened Japan to the Western World. Between 1886 and 1890, 3,000 Japanese came to America. During the next 10 years, the number rose to 27,000, and during the next 8 to 127,000. In the period of the greatest immigration—1902 to 1908—the yearly total fluctuated between 11,000 and 30,000. At the beginning, the issei—or first generation Japanese—faced little discrimination. Issei dressed and otherwise bore themselves like Westerners and were unfailingly "polite, courteous, smiling" as one newspaper put it. Most of them served as railroad men, as domestics, in some places as miners, lumbermen or fishermen, or they became storeowners catering to their own communities, notably around San Francisco, Sacramento and the upper San Joaquin Valley. Later, the bulk of them moved to southern California.

Until 1905, attacks against the issei were sporadic and brief. As early as 1888, the San Francisco Trades Council called attention to a "recently developed phase of the Mongolian issue." Four years later, Denis Kearney came out of retirement to alert the public to "another breed of Asiatic slaves" who were filling the gap "made vacant by the Chinese." "We are paying out our money," he cried, so that "fully developed men who know no morals but vice (may) sit beside our * * * daughters to debauch (and) demoralize them. The Japs must go." But Kearney's day was over. The public paid no heed to his ranting; nothing was heard of him again.

In 1900, a rather serious upsurge of anti-Japanese sentiment took place in San Francisco. It was instigated by the local labor unions and their friends, among them the mayor of San Francisco. He spoke a language which must have sounded familiar to many of his listeners:

> The Chinese and Japanese are not bona fide citizens. They are not the stuff of which American citizens can be made.

Later that same year, the AFL took official notice of the Japanese and included them in demanding the total exclusion of "cheap coolie labor." And in 1901 the Chinese Exclusion Convention, which consisted largely of delegates from organized labor—800 out of 1,000—was told that it had better become aware of "the Japs" for they were "more intelligent and civilized * * * than the Chinamen."

By mid-1905, the labor unions of California had joined forces to establish the Asiatic Exclusion League. Four prominent San Francisco labor union executives were primarily responsible for launching the league's career; all four, it should be mentioned, were themselves immigrants—as were Kearney and Gompers. They were Patrick H. McCarthy from Ireland, chief of the San Francisco Building Trades Council: his assistant, Olaf Tveitmoe, from Sweden, later to be convicted of participating in a plot to bomb the Los Angeles Times; Walter MacArthur, from Scotland, and Andrew Furuseth, from Norway, both representing the Sailors' Union.

Historians and biographers have duly acknowledged Furuseth's achievements. By the sheer force of his personality, he persuaded Congress to improve working conditions on American merchant ships. But beneath the aura that encircles his life and work lies the specter of racism. Improving the lot of seamen was less important to him than excluding "the oriental" from American ships. The power of the white races, he claimed, rested on its mastery of the seas. That control over the world which the white race—or a segment of it—had main-

tained unimpaired for 3,000 years now stood in jeopardy because "oriental" seamen were replacing the whites. It followed that the law Furuseth wanted passed should include a provision forcing Asian seamen off the ships. Such a provision was indeed incorporated into the La Follette Seamen's Act.

Such thinking was typical of the Asiatic Exclusion League. Its purpose was not only to stop all further Japanese immigration to America; it was also to deny or circumscribe their right to a livelihood.

Usually the exclusionists depended on sweeping demagogic verbal attacks on the issue. The league, for example, declared in its statement of principles: First, that the Japanese—like the Chinese—were unassimilable; second, that "foreigners so cocky, with such distinct racial, social and religious prejudices" would only cause friction; third, that Americans could not compete "with a people having a low standard of civilization, living, and wage;" fourth, that American women must not be allowed to intermarry with Asiatics; fifth, that they must not be allowed to become citizens; and sixth, that if "the Jap" is not excluded how can the Chinese continue to be kept out?

During this period AFL refused charters to agricultural workers unions whose membership consisted mainly of Mexican and Japanese farm laborers in the sugar beet fields of California. There were Japanese trade unions in the early 1900's, but whenever they turned to their white "brethren" for help, they found none other than Samuel Gompers and the AFL in their path.

That is even trade unionists would not permit the Japanese workers to form their trade unions, and the Japanese unions could not look to the other trade unions for any kind of assistance.

In 1902–03, the Japanese workers and contractors—middlemen who supplied labor and maintained discipline—of Oxnard, Calif., beetfields organized a strike after the owners, acting in concert, decided to eliminate the contractors and recruit the men themselves. The strike proved successful. More important, it resulted in the creation of the Sugar Beet and Farm Laborer's Union of Oxnard, its members consisting of Mexican as well as Japanese field hands. The union promptly did what other unions were doing at the time—it applied to the American Federation of Labor for a charter.

In reply, Samuel Gompers wrote:

> Your union must guarantee that it will under no circumstances accept membership of any Chinese or Japanese.

In short, Gompers was asking the union to disband as the condition for securing a charter. J. H. Larraras, secretary of Oxnard union, denounced Gompers' racism and inhumanity. He pointed out:

> Our Japanese here were the first to recognize the importance of cooperating and uniting in demanding a fair wage scale.

That is, they had the basic idea of trade unionism.

But Gompers refused to grant the charter. His blatant repudiation of earlier working class principles was excessive even for a number of unions within the federation. It is strange, but the Los Angeles Labor Council resolved, in a show of solidarity with the Sugar Beet and Farm Laborers' Union, "that time has come to organize Japanese workers in fields into the federation." And these sentiments were shared by the Chicago-based American Labor Union Journal. It wrote, in June 1903, that so long as nonwhites were barred from membership in the AFL, just so long would it be impossible "to organize the wage workers of California for the protection of their interests." It is the same story over again.

As before with the Chinese, Gompers led the attacks upon the Japanese within organized labor. What Gompers thought of the prospect of organizing the Japanese can be gaged by his remarks at the 1904 convention of the American Federation of Labor.

"The American God." He solemnly stated before his audience of delegates representing more than a million workers, "was not the God of the Japanese."

The convention went on to give his anti-Japanese position its seal of approval by passing a resolution specifying that—

> The Japanese were as difficult to assimilate into the American culture as were the Chinese.

At the turn of the century, the American Federation of Labor was committed to a policy of racial superiority and national glorification and many of its affiliates engaged in a variety of overt discriminatory practices against Negroes and orientals. This development, together with the refusal to organize the unskilled and mass-production workers, further alienated nonwhites from organized labor. The discriminatory pattern was now firmly established and would continue for many decades.

Throughout the early months of 1906 tension continued to build in San Francisco as the Japanese were subject to one harassment after another. It was commonplace for them to be assaulted and beaten by gangs of hoodlums. Between May and November 290 cases of assault were reported; none of the white assailants were captured, but 7 Japanese were arrested for defending themselves.

While Japanese individuals feared to walk the streets, Japanese restaurants were terrorized by a boycott organized by the labor-dominated Asiatic Exclusion League. In June 1906 the league's executive board concluded that too many "wage earners, laborers, and mechanics" were eating in Japanese restaurants and ordered union members to cease eating in them or face penalties. The ban went into full effect 4 months later, picket lines were formed around the restaurants and matchbooks were distributed with the label, "White men and women patronize your own race." The organizers frequently punctuated their racial admonitions by smashing windows and beating up owners. Again no arrests were made. The boycott illustrated the racism of the white trade unionists.

Significantly, the Japanese restaurant workers applied for admission to the San Francisco Cooks' and Waiters Union—the prime movers of the boycott—but were resoundingly turned down. The boycott also revealed the corruption to which racism naturally lent itself. When the Japanese consented to pay over $350 for protection the boycott was lifted. The union leaders had made a modest killing.

In 1920 the California State Federation of Labor helped form the Japanese Exclusion League of California; the other contributing charter organizations were the Native Sons of the Golden West, the American Legon, the California Federation of Women's Clubs. the California State Grange, the Farm Bureau and the Loyal Order of Moose. The Old League had been led by San Francisco labor; this one was dominated by middle-class and small-town elements.

It was the farmers, the small businessmen and other "respectable" citizens of California who were principally responsible for pressuring the legislature to enact a second Alien Land Law in 1920. More importantly, they were largely responsible for getting Congress—in the face of vigorous protests from the Japanese Government—to pass an immigration law that barred all but a handful of Japanese—or members of any other nonwhite race—from entering the United States.

The chapter thus was closed. The Japanese had officially joined the Chinese as a people unworthy of becoming Americans.

Mr. President, I cannot help but be deeply moved by not only this history but the enormous changes that have taken place in the situation of both the Chinese and Japanese in the intervening years.

I stated these things that have happened to the Japanese and Chinese many years ago—and when I say many years ago, it was not awfully long ago because I am talking about a period during which I myself was a child. The fact that the society that I am describing here of the labor unions and the respectable middle class that joined together to exclude the Chinese and Japanese altogether, and the fact that that same society would, two generations later, elect me to the U.S. Senate overcomes me as an irony and also as a tribute to the extraordinary capacity for change and adjustment that this society contains.

But, nevertheless, it is not possible for me to forget, Mr. President, that in this campaign, in this age of exclusion and discrimination, it was the labor unions that took the leading role all along. White working-class racism did not suddenly emerge full blown. It gestated over a long period of time, advancing from stage to stage, incorporating the Chinese and the Japanese question and, next, the Negro question. Their success in excluding what they called Mongolians from the labor force suggested to the leadership of the American labor movement how they could deal with the black worker.

(Mr. ANDERSON assumed the chair.)

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

Mr. HAYAKAWA. I would be happy to.

Mr. MELCHER. I, too, am moved by the very fine presentation of tracing this

outright bigotry on the part of some people of our country in the past. I want to commend the Senator for the very fine and detailed speech on bringing to our attention these past injustices.

I think the three Senators who are here, who are of Japanese-American ancestry, have demonstrated, including the Senator from California, the very fine and wonderful contribution that Japanese-American people have made to our country, the United States.

I hope that the past in terms of bigotry toward both the Japanese and the Chinese in America will never be repeated.

I think it is worth pointing out that American labor unions no longer discriminate against orientals or blacks or whatever color. I think it is pertinent also to point out that after 1935, with the passage of the Wagner Act, and the creation of the National Labor Relations Board in that act, there has been a moving spirit both in America and in the labor movement in America, I mean throughout America, throughout all of our society, and in the American labor movement specifically, to correct these wrongs. Perhaps it has taken us too long to reach that point, and I would not ignore the injustices that were done to the Japanese-American people during World War II. It is certainly a blot on our record, and one which we will live a long time atoning for.

But I am proud to be in the United States Senate at a time when the U.S. Senate does have three excellent, marvelous Senators of Japanese-American ancestry, including the Senator from California.

I thank the Senator for yielding.

Mr. HAYAKAWA. I thank the distinguished Senator from Montana for those kind words.

I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, if the distinguished Senator will yield, I would like to echo what was said by the distinguished Senator from Montana. At a later time I may have further to say along this line. What happened in World War II cannot be erased. In fairness to everybody involved, wartime is not a time where reason prevails. I believe there is a greater appreciation in the minds and hearts of American people for the people of Japanese ancestry than either the general public or those distinguished people who are of Japanese ancestry realize.

The American people are inherently just and fair, and when they think back and realize some of the mistakes that have been made, many who are not loquacious and will talk about it end up with a strong conviction that these things must never happen again.

If I am not imposing too much on the time of the distinguished Senator, I would like to recite a personal experience that I had.

During World War II I was home on a certain occasion. The war had not begun to be won yet. I was in a meeting in a local hall, and word was sent in that there was a delegation outside who wanted to see me.

I stepped out. I saw they had a matter to talk over with me for quite a little while, so I said, "Let us go to my office."

There were two or three officers of the U.S. Army Air Force, and one or two noncommissioned officers, and then a Nebraska boy of Japanese ancestry. Here was the unusual request they made: This Japanese boy, Ben Kuroki, a great hero, said,

Congressman, I am an American. My parents live here in Nebraska. They have lived here for years. I have been a tailgunner in the European theater.

Then he told how many missions. He said, "I want my country to win this war." He said, "Our crew was brought back for retraining," and, as I recall, it was for the B–29. He said,

We fortunately have been together all the time. Our crew is to leave within a couple of days for the Pacific Theater, and orders have come out of Washington that I cannot go.

He said,

They let the boys of German descent fight against Germany. Why are they doing this to me?

I was out in Nebraska. As I say, it was in wartime. We did not have much stenographic help in those days, as compared with the staffs now.

We went back to the office and talked a little while. I called Ben into the back room and I said—

Ben, I don't doubt you, but just between the two of us, I want you to tell me is this really how you feel?

He said, "Yes, I want to go."

I said I was short of stenographic help, I was out there without any. So I sat down at a typewriter—and that is a job for me—[laughter] and I typed up a message to the Chief of Staff, Gen. George Marshall, and related this whole story, and asked him would he please let Ben Kuroki go to the Pacific theater. This was about 2 days before the crew were to take off.

General Marshall granted the request, but he sent an order back direct to Ben Kuroki. Ben was stationed at a U.S. Army Air Force Base at Harvard, Nebr., in Clay County. They were to take off for the Pacific from the Kearney, Nebr., U.S. Army Air Base. So he was just happy; he was going to get to fight in the Pacific.

Well, the order had not come through channels yet. He goes up the stairway to get on his plane, and the Army Intelligence grabbed him and said, "You can't go."

He said, "Oh, yes, I can," and he presented the orders from General Marshall.

Ben Kuroki served with distinction throughout the Pacific. His father was one of the most successful and outstanding truck farmers in Nebraska. Ben would write me letters from the Pacific. He would say, "I can't tell you what island I am on, but it is a very rich and productive island." He said, "I had some seeds sent to me, and I am raising vegetables for the crew. Today I provided them with cucumbers and fresh tomatoes," and this and that.

In another letter that I received from Ben Kuroki, he said, "I can't tell you where I am, but," he said, "I bombed the third Axis capital yesterday." He said, "The other two were Rome and Berlin."

Ben Kuroki came back to the United States. We visited about what he should do. He was going to go to school under the GI bill of rights.

I said,

Ben, it takes a while for things to heal.

He had received many insults. Here was one of our Nation's great fighting men, and in the days of sharing taxis, he would be in a taxicab, other people would grab the cab and start to get in, and back out and say, "I won't ride with a Jap." One of the Nation's heroes.

He talked about the GI bill of rights, and I said,

Ben, it is going to take time to heal, but time will tell.

He took his training, and went into the newspaper business. He has a distinguished career. He is author of the book, "The Boy From Nebraska."

I thank my friend for yielding.

Mr. HAYAKAWA. I thank the Senator from Nebraska. I thank him especially for telling the rest of the story of Ben Kuroki, whom all of us Japanese-Americans know by name and reputation as one of the great heroes of the war. I am glad to know that the Senator from Nebraska (Mr. CURTIS) helped him achieve the great record he did achieve.

Mr. President, I no longer carry any grudge or chip on my shoulder relative to the treatment of Japanese and Chinese in this country. They are doing all right now. But I do cite this history regarding the trade union movement, because it continues to this day, especially with regard to Latins. There are all-white unions still; and when they are pressured, for example, by equal opportunity programs, and so on, to take in black apprentices, I have known this to happen: They would take the black apprentices in, but those apprentices would never become journeymen, because if they wanted more journeymen they would give them on-the-job training, without putting them in the apprenticeship program. In one way or another, a very large number of AFL–CIO trade unions to this every day, without doing it in the open, without the racist rhetoric of a few generations ago, continue the racist practices I have been talking about. So I wanted to call attention to the fact that many blacks and other minorities are still limited in their opportunities by the racist traditions that have long chained and discolored the American labor movement, from its early days.

In each instance the objective was the same: To drive the workers of the offending "non-Caucasian" race from the job market, either (as in the case of the Chinese and the Japanese) by keeping them out of the country or (as in the case of blacks, Mexican-Americans and other "tainted" groups) by limiting them to low-paying, unskilled, nonmobile jobs outside of the mainstream of the American labor force.

Mr. President, let me wind up these remarks by saying that while it may be

objected that the racial views of Gompers, Furuseth and other labor leaders should not be singled out for special notice or criticism, for, as some have argued, they merely reflected the zeitgeist, the fallacy of the zeitgeist argument is that it receives its justification in retrospect from the labor historians who either eliminated or diminished the choices that confronted the major figures in the period under investigation. The zeitgeist did not command American labor organizations to embrace a policy of racism, and it certainly did not command the AFL, which spoke for the overwhelming majority of organized workers from the 1890's on, to be even more militantly racist than Americans in general.

The responsibility for what the AFL and its affiliated unions did lay with the AFL itself—it could have taken an alternative course at the time. It could have practiced what its leaders occasionally preached; namely, that all workers were equal, that no person should be treated as a commodity, that capital was the common enemy of all workers. Instead, the American Federation of Labor acted on the assumption that non-Caucasians were inferior, that they deserved to be used as commodities, that differences of race, not class or wealth, defined the important issues between men.

The ground rules that organized labor created made conflict between the races inevitable. Organized labor chose the path it walked in the years following the Civil War. In fact, it created its own zeitgeist. How different American life might have been if organized labor had not repeatedly acted against the interests of non-Caucasian workers, both oriental and black, who could have joined in a racially unified struggle for the equal rights of all working people. That could have been the history, but it was not; and therein lies the tragedy of the American labor movement.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. CURTIS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 8410.

Mr. CURTIS. Mr. President, I hold in my hand an article from the front page of the Omaha World Herald, Omaha, Nebr., for last Friday. It is a report of an interview with the Secretary of Labor, Mr. Marshall, concerning the bill that we now have under consideration. "Hoodwinking Charged. Filibuster Blamed on Union Haters."

I will read from this article which carries the story of what the Secretary of Labor, Mr. Marshall, said.

The opponents of this bill are not opposed to this bill; they are opposed to unions.

Then he goes on a little bit later:

They oppose unions and would like to eliminate unions.

Mr. President, the Secretary of Labor owes an apology to the opponents of this bill. If a provision of a bill says that if a man is discharged, has a hearing, and it is found that he should not be discharged, that he should have punitive damages and receive twice the amount of wages he would have had if he worked, according to the House bill, or one and a half times, according to the Senate bill, and that they do not need to take into account any wages he drew working some place else, if some Senator thinks that is unjust and unfair and gives cause for voting against the bill, what right does someone holding a high position as a Cabinet officer to say—

The opponents of this bill are not opposed to the bill; they are opposed to unions. They oppose unions and would like to eliminate unions.

Well, I do not know whether Secretary Marshall associates with people other than union leaders or not. I am sure he is associated with students in the academic world. But there is not any sentiment over the country to eliminate unions, to do away with the right of workers to organize and bargain collectively. The right to bargain collectively is a right that is here to stay. It is just and fair and I support it. How else could we have working arrangements made when our industries have grown so large, with tens and tens of thousands of workers working for one employer? The employer cannot know them all. He cannot set up his own system of checking on their work and handling them individually. They have to have collective bargaining.

What the Secretary of Labor was talking about was living back in the 1870's or 1880's. I think he ought to be invited into the 20th century. I think he ought to get acquainted with America.

People who oppose the punitive provisions of this bill have a right to do so, and I think they are on the side of justice and fairplay. Also, I believe that those who oppose the provision in this bill which permits the packing of the National Labor Relations Board have a just case. Why do they want the law? So that a prounion administration can pack the Labor Relations Board.

There are many Senators who believe that the role of government in labor-management contests, or any other contest between private individuals, should be that of referee and not partisan on either side. To pack the Labor Relations Board is not fair, it is not sound government.

When we go to a baseball game we want the man who is paid to umpire not to pitch for one of the teams. The umpire should not be a player. There are many people who believe that. Why would a Cabinet officer try to deceive a whole State by saying those Senators who are carrying on this filibuster and who are opposed to this measure are not opposed to the measure but they just want to eliminate unions? Why did he not take the occasion to discuss the punitive measures in this bill? Why did he not take the occasion to defend the idea of packing the National Labor Relations Board?

I wish the Secretary would get out among the people, including workers, small businessmen, farmers, employers, everybody, professional people, self-employed, and find out what America is like. He has lost sight of the real purpose of collective bargaining. This interview is the most unusual statement I have read in a long time.

Mr. President, the right to organize and bargain collectively is a right that belongs to workers. The Secretary of Labor thinks it is a right which belongs to union organizers.

A union organizer is an outsider who wants to go into a plant and convince workers and management that his outfit ought to be the collective-bargaining agent they should pay dues to. He is a hired servant. The union organizer has no right in the field so far as a protected right that belongs to those who work. The workers shall have the right to organize and bargain collectively.

Sure, if they are of that opinion, they should be entitled and encouraged to seek advice, guidance, and assistance from anybody they choose, including a union organizer. But that is far different, having the request come from the employees, than implying that a union organizer has a right to pick out a factory in an area and say, "I am going to go in and organize it."

I am not suggesting that we should take away any right to talk to those people, but the Secretary of Labor ought to realize that the right to organize and bargain collectively is a right of the workers.

Here is why I know that he is on the wrong track. He said:

Unions should be given a fair shot at organizing companies.

He did not say that workers should be reinsured in their right to organize and bargain collectively. He is talking about the outsiders who come from another State or someplace and go into a plant.

He said, "The union should be given a fair shot at organizing companies."

Mr. President, I thought that a Cabinet officer was an officer of the United States and had an obligation to work for what he felt were the best interests of all the people, and not to be an agent, an advocate, of a particular few.

This man does not say a word about the right of workers to organize and bargain collectively. He talks about the right of the unions to have a fair shot at the companies.

Let us consider these provisions in this bill. Here is a small company, or maybe a medium-sized company. Trouble arises with an employee, and that sometimes happens. That is part of life. Sometimes, maybe, the employer is wrong. Also, we know that nobody is perfect and there are times when maybe the employee is wrong. Maybe he is lazy or careless. Or maybe he is a pessimist that is always finding fault and is a troublemaker and breaks down the morale of everybody he

works with, not alone for production, but just for living.

Suppose his job is taken away from him. The law provides that he can have a hearing. If the appointed tribunal set up for that purpose should find that he should not have been fired, he is entitled to be made whole. That means to have all the wages he would have gotten if he had stayed on the job. But if he were able to pick up another job and earn some money, he is still entitled to be made whole.

How do you make him whole? All the wage he would have got less what he did get and the difference he should get. That is justice. But here we have a bill that said, no; if he is fired and he goes out and gets a job that makes him just as much money or more but, after due hearing, it is held there was an unfair labor practice in firing him, he not only can keep the money that he made outside—of course he can. We will not even count that. He will be able to collect twice as much, or 1½ times as much as his regular wage.

That is not just. I doubt if it were put there with any idea of being just, but I know what it will develop into. It will develop into a blackmail weapon. An employer can say, "Well, this guy; I don't want to hire him, but if I fire him and I should be held to be in the wrong, I will get stuck with so much that I don't dare."

At that point, you no longer have any management.

Mr. MELCHER. Will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. MELCHER. I thank the Senator for yielding. On this particular point, I want to say that if there is any error in judgment in the bill concerning the make whole provision, if it is overly generous, the remedy goes to the individual employee, the employee himself or herself. It does not go to the union. If, in the terms of making whole, the law finds that the union was in error, then the union must pay the employee the make whole remedy.

Admittedly, there can be a question on whether the make whole provision of 150 percent for an illegally discharged employee, is fair, that is a legitimate question. I respect the Senator's views on that. But if it is an error in the bill as being too generous, that error is in the favor of the employee and would apply just as much to the employer or to the union, whichever is wrong, to make whole the employee's losses.

I want to say to the Senator that I think perhaps the remarks he read from the Omaha World Herald about Secretary Marshall's reference to those who oppose this bill were probably harsh. The bill is very narrow. I do not know of anybody who is introducing an amendment that would try to move us back into some position of infringing on collective bargaining. The bill is very narrow, involving the processes before the National Labor Relations Board and the exercise of the Board's functions.

If the Senator will permit me, I should like to comment on the remarks that the distinguished Senator has made about the addition of two members to the Board. The provision in the bill would increase the Board, from five members to seven members. I point out that President Carter has already made two appointments to the Board. One is John Fanning, whom he appointed Chairman of the Board. John Fanning has been a member of the Board since 1957, when he was appointed by President Eisenhower, and has served continuously on the Board. President Carter has reappointed him and made him Chairman.

The other appointment President Carter has made is John Truesdale, who was a career National Labor Relations Board attorney. Most recently, prior to his appointment to the Board, he was executive secretary of the Board, so he has had a long carrier in this very field, associated with the Board.

John Fanning was in the Federal Civil Service from 1942 to 1957, when President Eisenhower appointed him to the Board. President Carter has followed through on that by reappointing him as chairman.

I think it speaks well for the two appointments President Carter has made to the Board. He has been conscientious in exercising that responsibility. I think it is fair to point out that all Presidents, since the Board was created by Congress, have followed a rule of appointing no more than a majority of three of either political party to the five-member board. I think that is proper.

In addition, it is also fair to say of the bill that if the bill becomes law, instead of that just being a practice, it will be a requirement of the law, that the appointments to the Board be of both parties and that, at no time, can more than a majority of either party be more than four out of the seven.

I thank the Senator for yielding.

Mr. CURTIS. I thank the distinguished Senator for his helpful comment. I believe the conclusion must be drawn that opinions about enlarging the National Labor Relations Board are legitimate items of discussions. Those who oppose should not be spoken of by the Secretary of Labor as out to eliminate all unions.

I also believe that all of this discussion leads to the same conclusion in reference to the punitive remedies.

But not everyone who opposes believes the puntive remedies for error in firing somebody should be as written in this bill.

Yet the Secretary of Labor says—

> Though the opponents of the bill are not opposed to the bill, they are opposed to unions. They oppose unions and would like to eliminate unions.

Now, why would the Secretary say this?

Well, he knows that in most any place, the union bosses do not have many votes, but if he can convince the great unorganized people that certain Senators are against individuals that work, then he has got something going for him politically.

I cannot think of any other reason why the Secretary of Labor would send a story into a State that makes these false charges.

But he does not take a single line to discuss the details of the bill or tell why the critics are wrong.

The Secretary of Labor is not the only one doing this. I hold in my hand a reprint of an article from the Salt Lake Tribune, May 6, and the Under Secretary of Labor, Mr. Robert J. Brown, bursts forth, this time attacking right-to-work laws, people who are in favor of right-to-work, and right-to-work States.

Well, he is totally wrong. Those who believe in right-to-work law are exponents of voluntarism, They believe that no one should be forced to join any organization, the Presbyterian Church, or a union, or a lodge, or chamber of commerce.

But that is an individual decision and it should not be placed as a condition for employment. That is all the argument is about.

Yet, here, the taxpayers not only have to listen to this, but have to pay the expenses of someone going around the country making charges like this.

Mr. President, I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. MELCHER). The Senator from Indiana.

Mr. LUGAR. Mr. President, during the debate yesterday on the labor law reform bill mention was made, in fact, considerable mention from the outset of debate, about a survey taken by Cambridge Reports, Inc., entitled "A Brief Overview of an Analysis of American Attitudes Toward Labor Law Reform" prepared for the American Retail Federation, by a firm headed by Patrick Caddell, often associated with taking polls for the President of the United States.

Mention was made of this poll, first of all, by the distinguished minority leader, the Senator from Tennessee (Mr. BAKER), early in the morning, and the press is replete with accounts of the poll and analysis of it, and those who are opposed to its results. Throughout the debate during the day the distinguished Senator from Utah (Mr. HATCH) and I mentioned this poll and what it indicates of our labor law reform in the country as the people see it.

During the windup of the debate yesterday afternoon, the distinguished floor leader, the Senator from New Jersey (Mr. WILLIAMS), mentioned that this poll had been cited earlier in the day by Senator HATCH and by me. Senator WILLIAMS made his own analysis of the finding and, in fact, suggested some of the questions were leading questions.

He was joined in that viewpoint by the distinguished ranking member of the Human Resources Committee, the Senator from New York (Mr. JAVITS).

I was not on the floor at that time and I appreciate the courtesy of Senator WILLIAMS in mentioning that he had hoped that I might be on the floor to engage, perhaps, in a colloquy or discussion with him.

I appreciate likewise his comments that my approach throughout analysis of the various polls that we have seen and heard about during this debate had

been a reasonable one. I shall try to make these remarks equally in that spirit, because a great deal can be said about polls and a great deal can be made of them.

The points that Senator WILLIAMS made yesterday afternoon are quite valid in the sense that if we ask a leading question, or ask a question which presumes an answer that is favorable, very frequently we can obtain that, that the American public can be asked a series of questions that almost lead to supposedly contradictory results, but due to the wording of the question, even the inflection of the questioner, very different sorts of results can be obtained and can be used to prove a case.

I think we ought to say simply at the outset that all of us in this debate are agreed that the Senate of the United States, quite apart from public opinion polls, must look carefully at the language of the bill before us, must try to evaluate all of the new answers that might come from very careful study of the words in the law.

The optimum use of polls would, at best, be simply a general mood that the country feels with regard to a certain subject.

Polls would not be useful in going through a line-by-line analysis or even necessarily in trying to find some public consensus on particular sections of a piece of legislation.

I think we take that as given in the debate, and that we have a specific responsibility to go line by line and word for word through the bill.

But as I read the Cambridge Reports, Inc., poll, the objectives of that survey, and I quote them again as I did yesterday, were: First, to measure attitudes toward labor law reform; second, to determine what kinds of reforms people want, if any, and how they react to reforms currently before the Congress; and third, to look at how attitudes toward labor unions, business, and some other issues may affect their attitudes toward labor law and labor law reform.

In other words, to get some idea generally of what the public thinks of when it hears the idea of labor law reform, whether there appears to be a need for this type of reform as perceived by the general public and, if so, how that particular attitude may begin to focus on some of the broad issues that are a part of the debate on S. 2467, specifically.

In my judgment, Mr. President, the Cambridge Reports, Inc., survey does meet those limited objectives. It meets them, first of all, by raising what it calls the basic question. We have not really had, I think, a comment by Senator WILLIAMS, or others, about this question. It is neither leading nor misleading. The basic question is simply:

> Congress is currently considering a Labor Law Reform Act that would change the laws that govern labor unions, management and employee rights.

I think that is an indisputable fact. We are doing precisely that. The Senate right now is engaged in that sort of debate.

> Do you think the current labor laws need changes or not?

That is not a leading question, once again. Either a person thinks we need a change or we do not. Forty-five percent of the American public said, "Yes, we do need changes." Twenty-one percent said, "No, we do not need changes." Thirty-four percent were not sure.

So, with regard to the basic question of the survey, it appears to me that we have a question that is perfectly straightforward, perfectly neutral in terms of its implications. The public, by and large, by a vote of more than 2 to 1—45 percent to 21 percent in this case—believes that our labor laws need change.

Therefore, it appears to me in this debate that there might be a degree of general consensus within this body that correlates very well with what the American public perceives.

But the second question on page 3 of the survey is, of course, the heart of the matter. It is easy enough, in a political campaign, to say that we need reform. I suspect that each Senator, during a campaign, has railed against the evils of the world and has suggested that we need a genuine reform in this country. People have talked about tax reform, welfare reform, and, in this case, labor law reform. As we found in question 1, a majority of the people in the country agree that we do need reform, change of our labor laws. However, Mr. President, the heart of the matter is, what kind of reform and what sort of changes?

Clearly, here we have a parting of the ways in terms of those who are proposing this legislation and those of us who are opposing it. Those of us opposing it have pointed out throughout the debate, from our own perceptions of the public mood, from our own visits with constituents, that we believe that the people of this country do indeed want changes in the labor laws.

As a matter of fact, we have mentioned that during the coal strike, many people in the country felt that the President thought Taft-Hartley was inadequate, that it should be amended, so that it would become adequate to protect the interests of the average individual in this country caught in that sort of economic dispute.

We have pointed out, as we have visited with those who have seen turmoil in various communities—and I cited on this floor the other day the case of the State of Ohio, as I recall from the press accounts, 12 simultaneous public employee disputes going on, which left many citizens in several communities in considerable distress, if not jeopardy—that the public wants some changes with regard to this.

When labor law reform comes to mind, many people say, "Sure, we need change, if we are going to have police and fire service and the schools and the hospitals will continue."

When the Patrick Caddell-Cambridge reports approached this question, they said:

> If you are among those who believe that change needs to come, what kind of changes do you think are needed?

Overwhelmingly, the answer by the largest number of people, 28 percent—the next group in this survey was only 7 percent—was this:

> Unions have too much power. Unions are too strong. Unions want to take over.

In brief, Mr. President, the leading perception of those who want change in the labor laws in this country, who want labor law reform, addresses that sort of reform to the proposition that they believe that the tilt of authority and power in this country may have gone too strongly already to unions.

However, the second item in popularity among people who want reform is this: People want provisions against strikes, time limits on strikes, the thought that no union should be able to cripple the country, the thought that teachers and police officers should not be able to strike. That was the sort of reform they had in mind.

That is not a leading question. If you ask, "What kind of changes do you think are needed?" and people reply off the top of their heads, "These are the issues in which we need change and reform," that is not leading anybody on. That is simply a collection of the perceptions of people who answer a question: "If you say we need change, what kind of change do we need?"

The point that opponents to S. 2467 have made consistently is that this bill simply misses the mark of what people in this country want. The facts of life are that the people in this country do not have a great deal of interest in this bill. They never have had interest in this bill. And even after 8 days of debate, they do not have much interest in this bill. They wonder why it is before us at all.

What impelling reason of public policy, what sort of priorities in terms of scheduling, what sort of things are occurring in this country, that could lead to the scheduling of this bill and debate for 2 weeks—and, I trust, for a third and maybe for a fourth, until the bill is withdrawn, until it is gone from us, until we finally get on to the business of this country, the things that people want the Senate to address? That is the telling question, and it simply has not been answered by those proposing this bill. They almost give the impression that in some vast lottery, S. 2467 suddenly came up; that there was some overwhelming obligation for a day in court for this particular sliver of what labor law reform in its widest sense might have been considered to be.

Mr. President, I think we have discussed candidly throughout this debate why S. 2467 is before us. It is not because the people of this country want this law. As a matter of fact, they appear to be very skittish about the whole idea of anything that might lead to a greater tilt toward organized labor at this point—mighty skittish, indeed—and I think with some good reason, as has been expressed. Nevertheless, we have it before us.

If we take a look at the Cambridge Reports, Inc., survey, it appears to me that we see how vulnerable the proponents of this bill are in their assertion that this particular piece of legislation matches up at all with public desire or need or with what we should be doing

in the Senate of the United States with regard to this issue or any other priorities

During his analysis of my remarks and of others, the distinguished Senator from New Jersey (Mr. WILLIAMS) did go into two questions that he felt were leading. I refer to his remarks yesterday as they appear in the RECORD on page S8209. Senator WILLIAMS said that the question he felt might be leading with this one:

In general, do you think the rules by which unions gain the right to represent employees need to be made easier for the unions or not?

Senator WILLIAMS suggested that that was a leading question. He suggested, first of all, that it was a misreading of the bill, and he states this:

That was the question.

This question certainly does not accurately reflect the bill before us. The bill does not make the rules easier for a union to organize workers, yet the question was put in exactly those terms:

Senator WILLIAMS went on:

What we have before us is a bill that makes it easier for employees to obtain the information they need to decide. The bill makes it easier for workers to decide in a prompt election whether they want a union. All of the provision here run directly to the individual, the employees, not to the union. It goes to the employee in terms of the opportunity to be educated and informed on the decision that he or she will have to make at the time of the election. It makes it easier for the employee to have an opportunity to express that decision in a democratic election, whether that decision is to have a union, or not to have a union.

So instead of asking a question in terms of making it easier for unions, I was wondering, as the Senator from Indiana was speaking, what the response would have been if the question was put this way:

Do you think the rules should be changed to make it easier for workers to get information equally from both sides before they vote on whether or not they want a union?

I would have asked the Senator whether he would agree that had this question been asked, the answer, given the American public's sense of fair play would have been quite different than as it was to the question presented in the Cambridge poll.

I would accommodate the Senator's request by saying I presume that the answer would have been different had the question been a different one. Earlier in a colloquy with Senator WILLIAMS I came to, I think, a consensus with my colleague that the fairness of the American public in regard to these issues is legion and abundant. I think the facts are clear that most persons when asked whether people should have equal access to information respond usually, not prohibitively, yes, they should. The dilemma, of course, is where we find ourselves under law. We debate the issue of equal access to information in all sorts of ways. For example, in political campaigns, in which many of us have been involved, we could argue as candidates that voters should have equal access to our views. We could argue that as to a challenger to an incumbent. Having been in that sort of a predicament from time to time, having run against incumbents both on the mayoralty level in Indianapolis, quite apart from the senatorial level in the State of Indiana, I faced at least on three occasions a situation in which an incumbent, an officeholder, had many forums every day, had many ways of making his record and his viewpoints known to voters, to all of the citizens at his behest. Depending upon the time and situation he could summon the media and they came and they published and they photographed. As a lonely challenger in the field, without a great deal of attention to whatever my efforts might have been, we could shake hands at the factory gates and at picnics, at street corners and wander through stores, conduct walks and runs back and forth through the city or the State, and we could claim that we should have equal access to all the voters that theoretically it would be a wonderful idea if each voter in this country, or at least in the city or the jurisdiction in which we are running, had equal access to information about us, that the entire election would have been a happier procedure if that had been so.

Mr. President, we are discussing equal access to information and the general fairness doctrine involved in this, and through my analogy of political campaigning and equal access to information, during that sort of endeavor, I am simply agreeing with the Senator from New Jersey that when you ask a question should the rules be changed to make it easier for workers to get information equally to both sides before they vote on whether they want a union or not, there is a great deal of validity in this supposition that the answer to that question will be "yes" on the part of the majority of fairminded people.

But, Mr. President, to leap from the phrasing of that question to suggest that somehow or other the question that was raised in the Caddell Cambridge reports poll is leading and leading at least to a distortion of the record seems to me requires a bit of further analysis.

On page 4 is the question that has been discussed by the distinguished floor manager, Senator WILLIAMS, and myself, and I repeat again. The question was: In general, do you think the rules by which unions gain the right to represent employees need to be made easier for the unions or not? Twenty-two percent said yes, 48 percent said no, and 29 percent were not sure.

I am willing to grant for the sake of the debate and the spirit of reasonableness that has characterized the analysis of these polls—and the question is either leading or misleading—that that question does lead to a result that is likely to lead a fairminded person who already has answered other questions in this poll along the lines that unions are too powerful, that the major needs for labor law reform are the curbing of this power. If already we know from the poll that the overwhelming sentiment expressed in the poll and by the American public is that the need for reform is the need to curb what is already seen as overwhelming union power, then a case can be made that if you ask people do you believe that unions ought to have things easier, people have answered that we are trying to curb unions, they are going to say "no," and in that respect the observation of Senator WILLIAMS, at least in that context, has some validity. And I simply say that the problem becomes even more complex if we take a view of what is going to transpire in this equal access to information. If we were to pose it that way, or making it easier for the unions the other way, I argue as a commonsense interpretation of this question, S. 2467 does make it easier for a union organizer to get to employees and to make a case because the equal access provision when triggered, as we have heard during the debate activities by the employer, gives certain rights to a union organizer to come on the premises. It does enhance the possibilities of organization. If this were not so, I trust that many members of organized labor and certainly most union organizers and labor leaders would not be so much in favor of the bill.

It almost defies reason to suggest that we are discussing all of this antiseptically and it will not really be of benefit to unions at all. Very clearly the bill is of benefit to unions, and very clearly that is why the bill is in front of us at all. And very clearly that is the gist of most of the advertisements in our papers, on the radio, and on every conceivable lip of every lobbyist who is coming to us from organized labor or from business. This is a meaningful bill with regard to unionization of employees.

One can, as Senator WILLIAMS suggests, simply raise the question of whether we ought to have equal access to information. But the bill, I suspect, leads us to the very considerable physical difficulties of how the information is to be imparted.

I raised this question a few moments ago with regard to political campaigns and suggested that life was not altogether fair in the imparting of information there. There are those in America, I suppose, who would say that too can be remedied. It might be that if we could erase from memory all recognition of candidates, if everyone started at zero, name, face, recognition, and reputation, if from that point onward each opportunity to meet the public was matched by a comparable opportunity mediawise, or in personal appearance, then in the best of all worlds conceivably you do have some neutrality in these things.

But that really is not a reasonable proposition or is it one that is going to be supported by the American public or this body. In fact, the group of employees we are talking about in terms of this typical election situation, this typical group of people are citizens of the United States of America who read newspapers, watch television, visit with their relatives and friends every day. They have ideas about the business in which they are employed, about the union which might be seeking to organize them; have all sorts of impressions.

These are not people who start from ground zero in terms of recognition of the issues or the information. It simply seems to me very clear that the question that has been offensive here, "In general, do you think the rules by which unions gain the right to represent employees need to be made easier for the

unions or not?" The fact is the law does make it easier for unions to get information to the employees.

Those who are advocating the bill may say it should be easier. In fact, they would say it is far too hard right now for information to reach the employees.

Some would even say it is not only too difficult but that, in a large number of ways, management deliberately has frustrated these attempts, has blotted out information that could have been useful to members of a unit who were in the process of an organization election or consideration of this.

On this honest men will differ. I think both sides have presented a fairly good case of how many elections occur in the country and do not appear to have disputes attached to them; what sort of groups of people have elections at all, and we have found out that the typical group, depending upon the State, the time and place, are about 18 to 24 people. That is not a large group of people. One could make a normal presumption that a business with 18 to 24 people in it, the typical group, has a great deal of internal communication with or without the union organizer on the premises.

But let us say for the sake of argument today that that was a leading question. We would still have the proposition that if the imparting of this information is to be done in the ways that have been suggested in this law, we have on page 5 of the survey a question which gets to the heart of that process, and that question is:

> One possible change in the labor law would allow labor union organizers to go onto the property of businesses at any time, including working time, and try to recruit members. Do you favor or oppose this idea?

Now, criticism could be made fairly of that question that it does not state technically what the bill provides.

Second, it may not state what we finally end up with with respect to the so-called equal access provision and, therefore, it is a leading question.

I would recognize some validity in that charge. It is a way, I would say in a rough cut, of getting, however, to the heart of a very knotty problem, and that is granted that equal access to information is desirable and useful, the problem still remains of how that is to occur in the real world. What are the equities for an employer with regard to this? Should the employer be required to give up potential production time on his own premises, with his own money, to provide equal access?

The point made by the proponents of this bill is, of course, that he should if he has stopped work, if he has shut down the power in the shop or plant, if he has assembled in a captive audience situation his employees. And yet those of us who are raising questions about equal access simply wonder, still in terms of equity, if the employer thinks it is important enough to talk about an organization situation, it is important enough to curtail his own production, to curtail his own potential profits during that period of production, to use that particular time to visit about the union, whether there is really equity and fairness in an equal obligation to pay for the provision of the union doing a similar thing.

I would guess that expressed in that way it may still be a leading question but that on balance a majority of the public will not feel that the employer is really obtaining justice in that predicament. Clearly the employer would not be shutting down the power and assembling the employees if he were not deeply concerned about the future of the business, maybe his own future, maybe his own equity, being at stake.

Mr. President, what we are talking about when we are talking about small business in the throes of one of these disputes is, perhaps, simply survival of many small businesses. The point can be made, I think, with facility by proponents of the bill that this sort of thing really is not going to cause the death of any small business.

Yet I would simply suggest, Mr. President, that as you visit with small businessmen around this country, there is a clear perception on their part that this bill is going to lead to considerable weakness in terms of the longevity of their businesses, if not the potential winding up of the same.

I think there is likewise the fear on the part of many employees of small businesses that this bill is very likely to lead to jeopardy of their jobs. Why is this so? It is so because, as we pointed out in this body, we have talked about hard core unemployment in this country, we have talked about employment in situations in which businesses are only marginally successful, barely able to keep up; we have discussed how young people get their first jobs, how they get any point on the ladder with regard to this, and, by and large, it occurs in very small businesses.

It comes often because those businesses have wages that are substantially less than those of General Motors or International Harvester or U.S. Steel. No doubt that that is the competitive advantage of many, many small businesses, and the fear is a valid one economically.

(Mr. CLARK assumed the chair.)

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

Mr. LUGAR. I would be happy to yield to the Senator from Montana for a question.

Mr. MELCHER. The distinguished Senator from Indiana and I serve on the Committee on Agriculture together, and I know the Senator is very thoughtful, conscientious, and straightforward, and I do not doubt the Senator's statements on the national poll.

But would it not be true that if a poll were taken in the United States that asked whether individual people approved of activities of companies, with very astute attorneys, that could continually enter in at every stage of the procedure under the National Labor Relations Board's jurisdiction to slow it down, to thwart it, and to eventually make a mockery of the law and avoid the law I ask whether the people of this country would approve? If that sort of situation should prevail in this country and grow just because a handful of companies have the very experienced and able attorneys to represent them in the Board's procedures, and could thwart the actual intent of the law, I ask whether the people of this country would approve? If that sort of situation should prevail in this country and grow just because a handful of companies have the very experienced and able attorneys to represent them in the Board's procedures, and could thwart the actual intent of the law, I ask whether or not the people of this country would approve of allowing that condition to continue?

Mr. LUGAR. I see the Senator's question as a provocative and a good one. My impression is that the answer is no, the people of this country would not be in favor of a law that would enable people generally to evade legal responsibility. It seems to me the answer is clearly no, that they would not be in favor of that.

I think it is important to say that the field of labor law is not the only area in which the public has some concern in this respect. But it very rapidly becomes a matter of quality judgment as to whether a law is becoming mocked or frustrated.

If the Senator were raising the question in a different way, as to whether Americans should have due process of law, should there be every avenue available for exploration and appeal, I believe most Americans would answer yes, that they should, but they would want each step in the process to be preserved.

Mr. MELCHER. I would agree with the Senator that there are many areas of Federal regulation and Federal law that afford opportunities for those who can employ and pay for an astute and experienced attorney to enter into and delay final decisions. But I wonder, on the subject of equal access and that procedure that is provided in the proposed bill we are considering, if the Senator would consider with me some of the questions that would involve those people in small business who might become subject to an effort by a union to organize their employees. First of all, let us consider an employer, suppose it is a big drugstone, where there are 15 employees, and they have a volume of business of over half a million dollars a year, so they are subject to the Act.

If the employer wanted to talk to his employees about this whole subject matter, ordinarily would not the employer say to the employees, "Now, let's get together some place after work and talk this over; why don't you come to my home?"

Some of the employees might say, "I don't know; I have a babysitter problem. Why don't you come to my home?"

Under existing law where the employer is invited into the home of the employee, that is permissible as I understand it. I think the point is often made that the employer cannot go to the employee's home, but then it fails to say that the employees can invite the employer into their homes. That is legal. I

hardly know of any place where anyone, employee or otherwise, can invite themselves into someone else's home. I think that is common law, that goes back to the old English principle that a person's home is his castle and therefore he invites into his home those who he welcomes.

That would be my judgment of what would sometimes happen in the discussion between the employer and the employee, in such a situation as the drugstore situation that I have proposed.

Now, getting back to the uncertainty of what the Federal law sometimes means by regulations, by the law itself, and by the case law, I find that in discussing this bill with my small business people, most of them seem to feel that if there is a method of defining what the access of the union organizer is to their property, they would like it spelled out clearly.

The case law is so confusing on the subject, and unless you are a labor attorney sometimes you cannot keep up with the latest case law and the latest rulings, that maybe it would be better to have equal access defined by the law, and remove all the uncertainty. This would allow, for instance, this drugstore employer to say to the union organizer, "I don't want you in here; you interfere with business. I don't want you talking to the employees on my property. I think that is my right."

As I understand the bill, the equal access provision makes statutory, first of all, when the union can obtain equal access, and second, it says to the employer, "If you don't give your permission to have that union organizer on your property, he does not come on there. However, you could lose that right by consulting with your employees on the job in a systematic campaign advocating against unionization, or against having an election to find out whether they do want a union."

Does that not strike you in different ways as perhaps being the better method to arrive at the situation?

Mr. LUGAR. I believe the Senator from Montana has raised some intriguing questions, and I want to address first of all the thought that came prior to the question on equal access, about the opportunity for business to employ attorneys.

There are problems that some businesses may have in affording that. Second, I want to address the question of equal access in terms of a successful organizer, whether it be by a union, as in this case, or in other affairs; and third, the thought, as expressed by the Senator from Montana, that certain small businessmen would favor greater certainty as to the law.

I think the Senator from Montana makes an excellent point, with which I concur, that businesses have unequal ability to employ legal counsel. One of the problems those of us opposing this bill find in it is a fear on the part of small businessmen, which I must say I share with them, having been a small businessman, that those companies which are relatively large, that is, have a sufficient volume of sales and net worth, have better opportunities to obtain the very best counsel in the field of labor law. Clearly that is a situation that is not going to be faced, I think, by this legislation.

To the contrary, it was clear to me—and this is simply one Senator's judgment—that in the event the election procedure is speeded up, for example, that legal inquiry is not protracted, negotiation and maybe litigation is likely to follow in regard to bargaining positions or other aspects of the case that are not disposed of within 30 days, and this small businessman we keep getting back to, hiring 18 to 24 people, may not be able to stand the time and expense to go into this protracted litigation. In this respect, it can be truthfully said that big business and big labor are fairly well protected. I would guess that both are able to hire a host of attorneys, battle pole to pole, and go to bat in one court or another, and the Supreme Court at last.

What we are talking about in this bill is that the thrust of the problem, as organized labor leaders in this country see it, is the inability to organize small business.

This has been the rub as the organizational attempts have been foundering. It is not a question of looking all over a metropolitan area for hundreds of persons and not being able to find them in their homes, or having to hunt them up in the streets. For example, in the last year, the average size of the group in one of these elections was 24 or less. That was true in more than half the cases, and 62 percent of the votes were lost.

It is not that difficult until it gets to the 24 or fewer people. That is really not the heart of the matter, though they have been very persistent in some cases.

With regard to equal access, I would be willing to accommodate the Senator from Montana. There are real difficulties if you are an organizer in life in attempting to get to the people. I am certain that is true of a labor organizer. It is true if you are involved in a city cause, or if you are involved in running for office, to try to get people to settle down on a certain evening or a certain breakfast meeting, wherever you might be, whether it is an open field, a horse barn, or wherever you might want to bring them together. It is very tough. We have so many things to do in life and, furthermore, many people do not seek controversy. They do not want to be a high profile. All things considered, they want to leave it alone.

I appreciate acutely the problem of the union organizer who says, "How will I ever get the group together to make my case?"

Here the employer brings them together, because he is paying their wages. He is paying the gas, the lights, and he has the whole group there. He talks.

"What can I do?"

It is a perfectly understandable desire to say, "Why cannot I do the same, and share the overhead expenses, perhaps?"

That is not suggested by the bill, but it may be that the organizer could pick up the utilities or the rent on the premises, something like that I think when we get to the technical aspects of how this is to be done, we will have some problems and some disagreements.

It may be, as the Senator has suggested, that certain small businesses would say: "All right, it would not be a hassle but we would like greater certainty in the law. As it stands, we have union organizers meeting people behind the fence, out on the roadway, coming onto the parkway, and maybe hiding in the washroom. They are just hiding all over the place right now. It would be better to somehow get this down, to get it into law, and spell it out."

Would that that could be done. I suspect that may be if we labored over this thing long enough we could think of sufficient and strange cases, that would settle once and for all, all the ways that human contact might be made in an excellent way. I am not certain it is possible, but it is not a bad idea to work for.

Mr. MELCHER. Will the Senator yield?

Mr. LUGAR. I am happy to yield for a question.

Mr. MELCHER. In order to clarify this, I want to make a brief comment. It has been stated before but I wish to restate it in the context of our discussion here, and particularly how it affects small business people.

The employer, since he owns the property, has the right to refuse access. The intent of the bill is to provide, in this section dealing with equal access, only that instance where he might lose the right of saying no to refuse access to the union organizer wanting to come onto his property. The employer can send letters, of course, to the employees. He can have meetings in other places, like a restaurant or a hotel. He can talk casually to the workers on the job. He can go to the workers' homes, of course, if he is invited.

Under all of those situations, the letters, the meetings, the casual conversations with his employees, or in going to their homes when invited, he can talk about his reasons for not wanting to have an election for the purpose of organizing his employees into a union.

The only point that would be established with equal access in the bill, to clarify this, deals with when he would lose that right to refuse to let the union organizer come onto his property.

That would happen if the employer gathered the employees together to discuss this matter, the question of the election for the purpose of unionizing his employees. Then he would trigger the equal access provision in the bill which would permit, under the law, the opportunity for the union organizer to have an equal amount of time to discuss the same situation with the employees from his point of view.

I should also include that a systematic approach by the employer where the employer approached each employee on the job and says, "Here is my side of it" would also trigger the equal access. That is where he systematically covers all the employees, spending a certain amount of time with each one, giving his side. That also would trigger equal access for the union organizer to have an equivalent opportunity.

But I repeat those would be the type of instances that would trigger the union's access. Under this bill, unless the employer did those things he could refuse access to his property to the union organizer.

I think in the context of our discussion we might reach different conclusions as to whether that is advisable. I would point out to my friend from Indiana that some small business people I have talked to in Montana would feel more confident with this procedure being definite rather than attempting to keep up with the various case laws and various rulings of the Board regarding instances of compliance.

Mr. LUGAR. I appreciate the comments of the Senator with regard to my opinions. The Senator has, in fact, made a good explanation of his view of what the equal access provides, and it is a view shared by a good number of people as to what this bill has to say.

Let me just reply from the standpoint of one who has been a small businessman, that the second case that the Senator raises, namely the systematic visitation, gives pause, I believe, to me and to most people who have been in small business. Clearly, the strength of our businesses has been based upon the fact that they are small, small enough to have individual contact with employees, not only on a systematic basis but a very frequent systematic basis.

I can recall my own experience, and I cite this simply as an illustration of how complex what appears to be straight-forward can really become.

I can remember on at least a weekly basis visiting with each member of the assembly line, each person in the machine shop. These visits were in the days of the early 1960's when we were still on a weekly paycheck basis, though eventually we got to biweekly. On a weekly basis I made certain, when I passed out checks, if not at an intervening point during the week, that we visited. We visited about the families of each of the many employees, about specific thoughts that he or she might have about the business, about what we were doing, and about where we were going.

Very clearly, the strength of our relationship made it possible for us to stay in business from a point at which, as my brother and I came into the thing and took over, we were losing money, losing a lot of money. The thing was hemorrhaging and might have gone under altogether.

The issues we are talking about today were not unknown to me in that business. As I have said, in other places, in other contexts, we have, in fact, known the National Labor Relations Board through a number of successful organization attempts, one by the Steelworkers of America, one by the Machinists, two disaffiliation situations involving likewise these two unions, and other independent unions who have come and gone. This is not an area with which the Senator from Indiana is unfamiliar.

I simply say that the predicament of attempting to reach findings as to whether we are involved in things which are fair or unfair under the previous law, quite apart from this one, have involved a great deal of heartache and hearing. As a matter of fact, during one situation, our firm was accused of an unfair labor practice because an employee who turned out to be an organizer for a union was discharged in a layoff in which my brother was then in charge, after my moving into public life. He laid off this person. The hearing officer of the National Labor Relations Board said, "In a business as small as yours, you should have known that he was an organizer and, whether on a seniority basis or not, you should not have laid him off. Almost on a prima facie basis, it is very clear that you are in violation."

It is that sort of thing that leads most small businessmen in this country to be highly skeptical about this piece of legislation and about the interpretation of equal access, even given the relative simplicity of style with which the Senator from Montana has presented this, in a most reasonable way.

Mr. MELCHER. Will the Senator yield?

Mr. LUGAR. I am happy to yield for a question.

Mr. MELCHER. I think the Senator, from his own experience, has contributed very much to the understanding of people in business, particularly small business, about what is involved in this bill. I think it is helpful for them to be able to understand exactly what equal access would mean. I certainly agree with the Senator that all people in business, particularly small business, says: "Well, what are you doing to me now? What does this mean to me and how much harder is it going to be to stay in business?"

I think we contribute, perhaps, to answering that question by this very colloquy. The very points that the Senator from Indiana made about distribution of the paychecks and the visits with the employees—that is so common in small business and it is a part of the reason that many workers like the opportunity to work for a small business, because of their genuine favorable relationship with the boss, the people that are signing the paycheck.

Those points that the Senator has described would not, in any way, trigger equal access for the union organizer, because it is clear from the committee report that conversations between the employees and the boss, do not trigger equal access unless such conversations are a part of a systematic employer anti-union campaign. Thus, the initiative remains with the employer.

What the Senator has described is not systematic, is not a campaign at all.

It is also fair to point out that whenever the employee, in conversation with the supervisor or the employer, says, "What do you think about this union stuff, what do you think about union organization?" or if the employee, at a routine meeting that the employer has called, even if it is at the workplace and even if it is during working hours, raises the subject, "What is your view, Boss, about this union organization that is being talked about here by such and such union organizer?"—that also does not trigger equal access.

I think it is pertinent that the Senator's example in regard to the ordinary day-by-day or week-by-week discussions with employees on the job clearly does not mean that that employer has sacrificed his right to say no to the union organizer, "You haven't got my permission to come on here, onto my property, and I don't want you, so stay out." He has not triggered equal access by those casual, ordinary communications with his worker.

Mr. LUGAR. In response to my colleague from Montana, let me say that I have appreciated the colloquy with him through his questions and my opportunities to reply. Of course, in the event the hearing officer of the National Labor Relations Board was in agreement that my visits with employees up and down the line did not constitute unfair practice, in essence, unfair campaigning, that there was not an allegation that my interest in the employees at that particular time and comforting remarks, thoughtful remarks that I might have made, would be an influence, then, of course, I would be less disquieted. It appears to me, Mr. President, that in the real world, however, of these hearings and in the reading of this sort of law, of the word "systematic," there is the thought that if, in fact, as I have already admitted, I was meeting with the employees one by one, week by week, if not more often, could lead to a thought on the part of one or more of the employees, or could lead to a charge on the part of one or more of my employees that, in fact, I had said something that might have influenced the organization situation.

Indeed, in the context and in the heat of one of these battles, I feel fairly confident that that sort of allegation would be made and, unfortunately, I have some confidence that the allegations would be sustained by the National Labor Relation Board, that it would not be congenial to my testimony as a small businessman about what I have said in the event that the employee indicated that he had been influenced by what I had to say to him.

Admittedly, this is an area in which honest men and women on the floor of this body will differ. That is what makes the debate interesting. I look forward to continuing the debate with my colleague.

At this time, Mr. President, I am happy to yield the floor.

UNION ABUSE OF POWER

Mr. HATCH. Mr. President, I have spoken previously on this floor relative to union corruption and union violence, which are issues ignored by S. 2467, H.R. 8410.

Accordingly, I wish to address my remarks not to a discussion of the provisions of the Labor Reform Act, but, rather, to a discussion at this point of the provisions which the act should contain, for if we are to pass a true labor reform bill, then the bill should be what the name implies.

The proposed amendments to the National Labor Relations Act contained in Senate bill 2467 are not labor reforms,

or, at best, as the Washington Post says, are an incomplete set of labor reforms. The Labor Reform Act allegedly responds to those labor practices of management that are considered by some to be inconsistent with the letter of the law, and it establishes various mechanisms to terminate these practices. The act does not, however, respond to the substantial number of inappropriate and illegal activities by labor unions. Nor does it establish mechanisms to provide further protection of the worker from abuses by labor unions as well as from abuses by management. Intentionally omitted from the bill are the following:

First, the Employee Bill of Rights Act of 1977, which I introduced, included provisions to guarantee secret ballot elections, strike votes, and protection from fines for exercising rights under the act.

In other words, with regard to all strike votes, there would be a secret ballot election and a way for the men to determine whether or not they have got to be put out of their jobs for a long period of time or whether or not they have to continue to support labor union leaders who are not listening to them. It gives them a certain amount of freedom and a certain amount of rights that they really need to have.

On the other hand, there is no question that there is presently allowed indiscriminate firing of union members, of the workers, sometimes under the worst of circumstances.

Second, improvements to the Labor-Management Reporting and Disclosure Act; for instance, enforcement to the Attorney General.

Third, prohibition of excessive union fines.

Fourth. A solution to the commission of violent acts in labor disputes.

Basically, the act fails to provide protection for the worker against the abuses and corruption of unions. Instead the act strengthens the hand of labor unions, with a certain result of increasing the probability of union abuses of power.

By ignoring the abuses of power of unions, the act circumvents the most crucial area of labor law reform—it is this area on which I wish to speak at this time.

The corrupting influences to which union officials may succumb take many and subtle forms. Often it is difficult to draw a clear distinction between justified and unjustified personal gain of labor leaders or between valid application and abuse or their power. Involved are such questions as the proper use of union moneys (including expense accounts and welfare funds), the distribution and receipt of favors and union patronage, the use of questionable means to achieve organizational aims, and the levy of compulsory payments of different kinds, ranging from union assessments and fines to various forms of extortion.

Whether corrupting influences in organized labor in America have been increasing with environmental changes and as unions have grown in size and power, is difficult to determine. Some writers have stressed that the opportunities and temptations for personal enrichment of officials at the workers' expense have grown with the increase in the power of unions, with the expanding volume of funds under union control, and with the changing living standards of union hierarchs. Also, it is claimed that the centralization of union control and the entrenchment of top labor leaders afford greater latitude of action to the officialdom and reduce the checks on waste and improper activities.

Failing a systematic study of racketeering in unions that covers at least a decade, it is not possible to definitely determine whether the corrupting influences within American unionism have been waxing or waning. One can, however, analyze the factors and developments that contribute to corruption in union affairs and by that means arrive at some understanding of underlying forces. Instead of stress on single horrible examples, such an analysis examines developments within American unions and their environment that affect the character of our labor organizations and their leadership.

Particularly in its early stages, trade unionism assumes the character of a crusade, with high ideals, strong moral precepts, and a missionary zeal, which generates self-sacrifice, creates unity through a common feeling, and helps to preserve the integrity of the organization. Understandably, it is difficult to maintain the militancy and idealism of the formative years. As the union settles down to a more mundane and routine existence, the scale of values of leaders and members shifts and corroding influences are prone to seep in.

The leadership of unions, once the self-sacrificing servants of the working man, now control large, powerful, and secure groups of workers, and their life styles frequently reflect this change of position. The president of a national union is likely the manager of a well-established enterprise, which is responsible for numerous solid benefits embodied in enforceable contracts. In unions with 50,000 or more members, his duties, salary, office, and expense account approach those of the executive head of some large corporations. In addition, some union leaders charge large sums to their official expense accounts, because they stay at the best hotels, enjoy fine food and drink, and spend rather lavishly on entertainment. Many of them devote considerable time to investments of various sorts, including personal stock and property holdings, while their families seek to fulfill upper middle-class aspirations. Under those circumstances, the way of life of many union leaders may not be significantly different from that enjoyed by executives, in business and other types of enterprise.

An example of such enrichment is shown by the report of PROD, a nationwide and rank and file Teamster membership organization. In the report entitled "Teamster Democracy and Financial Responsibility," the PROD staff revealed the following facts about the salary levels and special benefits of top Teamster officials:

First. The international general president's salary is set by the union convention. In light of the tremendous powers the president has to influence convention delegates, it is no surprise that Teamster General President Frank Fitzsimmons draws an annual salary of $125,000, plus allowances and expenses—far and away more than other unions pay their top officials.

In addition to the large cash disbursements Fitzsimmons receives annually, the Teamsters provide him with a host of other benefits whose value is difficult to calculate. For example, Fitzsimmons and other Teamster officials and employees enjoy "haute cuisine" prepared for them by the two French chefs employed at the IBT headquarters near the Capitol in Washington, D.C., known to most members as the union's marble palace. The union furnishes Fitzsimmons with a home in a nice residential suburb of Washington, D.C., for which it paid $98,-051 in 1971. To aid him in commuting to and from the Teamster headquarters, the union makes available a new Lincoln or Cadillac each year. When traveling out of town, Fitzsimmons has use of the union's fleet of airplanes. In fact, the union even picks up the tab whenever Fitzsimmons wants to take a vacation in this country or abroad, not only for him, but for his wife, secretaries, and any others who can provide "services which he deems necessary while so engaged."

The International Teamsters Union does almost as well by its general secretary-treasurer. His salary is set at $100,-000 and he, too, enjoys the use of luxurious automobiles and aircraft owned by the union as well as being able to qualify under the same travel provision as the general president for all expenses-paid vacations wherever and whenever he pleases.

Fitzsimmons and Miller are not the only two Teamster officials who manage to collect kingly ransoms from union treasuries. During 1974, at least 17 Teamster officials topped the $100,000 mark, and that number would have been greater had not at least 5 other officials slid temporarily below it. In fact, if we were to focus upon a more reasonable salary level—say, $40,000, for example, or even the $57,500 a Senator makes—we find that a total of at least 147 Teamster officials topped that figure in 1974. There are two basic reasons why Teamster salaries are so high. First, the rank and file have no control above the local level. Secondly, the International Brotherhood of Teamsters constitution, written and modified by local union officials, specifically provides for those officials to hold multiple offices, and receive multiple salaries, in the union's extensive organizational hierarchy above the local level.

Second. The creative use of union "allowances" can often insure that an officer takes home considerably more cash each month than the rank and file think they are providing him. If an official thinks he deserves a raise or simply wants more money than he is receiving but the rank and file would disapprove of a raise, the increase can often be arranged in the form of some allowance or another.

Third. Many Teamster officials have virtually unlimited use of union credit cards. The sums charged to these union accounts are never attributed to the individual officials and are lumped into various other union expense categories on their LM–2 reports. There simply is no way of calculating the value of this benefit to any given official without asking the union to open its books to a member so he can inspect who signed for what. The only time the union is required to report an "expense" figures for particular officials is when it has reimbursed those officials for sums they reportedly spent out of their own pockets on union business.

Fourth. Travel accounts are just one form of expense accounts which a number of teamster officials have the privilege of enjoying in varying degrees. Nonetheless, they warrant special mention. A number of Teamster officials may all travel whenever they please to posh, warm-weather resorts and may bring along wives and/or secretaries or in some cases any number of business associates. The Teamsters membership must pick up the entire tab for their frequent and luxurious vacations.

Fifth. The one benefit most frequently enjoyed by high Teamster officials is personal use of union-owned automobiles, and, judging from the make and model of cars purchased by most officials, the common attitude is "nothing but the best." For example, not only does Frank Fitzsimmons drive a late model Lincoln or Cadillac, so do his two assistants, Walter Shea and Weldon Mathis, who both traded their 1973 Cadillacs for $12,000 Lincolns in 1974.

Sixth. Expensive automobiles are not the only form of transportation that Teamsters are providing their officers. In 1969, the union began assembling a fleet of airplanes which has grown to the point where today it includes five luxurious jets and two turboprops worth over $13 million at 1974 values. In the private sector, the Teamster's private "air force" is exceeded in numbers only by the Nation's largest corporation, General Motors, which owns six jets and six turboprops.

This is what really bothers some of us who have been raised in the union movement and who have worked in the union movement and who believe that the men are not being treated properly by many of these fat cat leaders in Washington today.

I do not want to mislead. I think there are a number of dedicated and very strong-minded and reasonable and decent union leaders throughout our society, and there are even some here in Washington. On the other hand, there are many who are not, and they should be called to task, just as the leaders in business who are not doing what is right are called to task.

Even further, although I have to acknowledge that many business executives make more money—at least ostensibly—than some of the officials we have been talking about, the fact is that when these men come up through the rank and file and when they earned their way to become the leaders of the rank and file, there is no reason for them to have all the props and features of a Saudi Arabian sheikdom, while the men they represent are paying what may be inordinately high dues to keep these features alive.

Seventh. Teamster officials occasionally manage to obtain sizable loans from different union treasuries. Sometimes it is impossible to determine the terms of the loan, whether, for example, they are more advantageous than the terms available for money in the open market. Indeed, it is sometimes impossible to determine even if the loans were ever repaid.

A close look at the international's LM–2 reports from 1959 to 1974 reveals that 9 top union officials have been repaying real estate loans ranging from $5,000 to $40,000 which were made out of the union's general treasury. The Landrum-Griffin Act of 1959 made it illegal for unions to loan, either directly or indirectly, more than $2,000 to any officer or employee. This provision would appear to forbid the union from making loans to its officials out of its various pension and health insurance funds as well as the union treasuries, themselves.

Eighth, in addition to the other forms of compensation Teamster officials receive, certain officers have also received handsome gifts from time to time from various segments of the unions. We have already seen examples of automobiles being given (sometimes for a minimal price) to officials as retirement presents or in appreciation of their services.

These excerpts from the PROD report verify the observation that the days of significant self-sacrifice for the union cause have largely disappeared; the temptations to use the union for purposes of personal gain seem to have increased, at least in some unions. In view of the developments within unions and society at large, it seems doubtful that the old union virtues will generally regain their earlier power to combat corrupting influences.

In addition to standards of moral conduct, unions rely on democratic processes to help prevent corruption and improper activities. Democratic controls, including discussion, disclosure, and membership approval by majority vote, are assumed to be particularly effective at the local level, where the units are not too large and the members are well acquainted with one another. An additional check at the local level is the supervision exercised by the national over the activities and finances of its locals.

In some unions, local democratic checks may be rendered less effective by an increasing centralization of functions and control in the national headquarters. No higher body actually supervises or approves the activities and finances of the national union.

The national union is much more likely to be controlled by a personal political machine than is true of the locals. Election contests and turnover of officers are generally far more frequent in locals than at the national level. However, the PROD report indicates that teamster locals are mere microcosms of the international organization:

The structural and political dynamics of the 800 Teamster locals closely paralleled those of the international. Although local elections are held every third year, they frequently do not provide a realistic opportunity for challengers to unseat the incumbents. An incumbent local president, like the international general president, has no policy maintaining a high degree of visibility in union papers and occasionally in the local news media, at local meetings, and from time to time at his members' place of employment. He generally uses these media both to promote his political image in the community and among his members and to belittle, distort, or denounce his potential rivals.

A challenger may have great difficulty promoting his candidacy among the local membership. In larger locals, the incumbent officials generally hold separate monthly meetings for the members employed in different crafts or industries. At most, the challenger may be known only to those members who are employed by the same company, or in the same industry, and who have attended the local membership meetings. This assumes that he has been allowed by the incumbents to speak out regularly on issues discussed at those meetings. Teamster officials running these meetings often refuse to recognize their critics or rule them out of order.

It is important to remember that rival candidates are employees who are being paid during the course of the campaign to drive a truck or perform some other job, not to engage in public relations, a principal activity of the incumbent union officials. The rival candidates may have considerable difficulty getting time off the job in which to run their campaigns. Moreover, their platforms typically call for more aggressive pursuit of the members' interests vis-a-vis their employers, a position which hardly endears them to their own employers. Short of discharging an employee running for union office on such a platform, an employer will often collaborate with the incumbents either openly or tacitly, by denying the challenger his accrued vacation or by assigning him overtime to prevent him from campaigning.

In almost all cases, then, the national administration of a union usually has many sources of power and control that enable it to remain in office unchallenged. The president has considerable patronage to dispense; he generally appoints, in some cases subject to approval by the union's executive board, the national union's representatives, the organizers, and staff personnel. There is also a tendency to give union presidents appointive power unrestricted by executive board approval.

The officialdom tends to behave like a government ruling over the membership and entrusted with the union's destiny. The president and his appointees generally control the lines of communication within the union, including the union's newspaper or magazine. The national's administration manages the convention, which serves as both the legislature and supreme court in most national unions. The president of the national headquarters also can withdraw local charters, appoint trustees to take over the

affairs of a local, and control the expenditure of funds of the national union, including strike funds. By such means, officials can help to perpetuate themselves in office and penalize critics of their leadership. In addition, as a union shakes down, as the officers become entrenched, and as the most active members congeal into "one team," a tendency exists for union conventions to grant increasing powers and authority to the president and the executive board. The corrupting influence of additional concentration of power within unions may be subtle but it is detectable from a reading of successive convention proceedings of particular unions and from informal conversations with persons in subordinate positions in those organizations.

A national administration has at hand various sanctions. In addition to patronage and promotion within the union, it can levy fines and assessments and even expel a person from membership for such reasons as "insubordination," "conduct unbecoming a union member," or "slander" of an official. Such powers are especially significant where unions hold exclusive bargaining rights, where the union shop is widely established in the industry or occupation, and where union mobility is within the single union and not from one national union to another.

Other factors may tend to reduce the effectiveness of democratic checks within unions. They include the increased size of national unions and bargaining units, the development of more layers in the union hierarchy, and growth in rank-and-file nonparticipation in union meetings and activities. Where such developments occur, they help to expand any gap in viewpoint between the top and the bottom of the union pyramid. The life of national officials tends to be distinct from that of the rank-and-file, and headquarters officials may come to assume that they are experts who know best how to run the union and to negotiate agreement.

Personal rule, which is the antithesis of democracy, encourages deals—secret understandings in advance or in place of negotiations—between management and union officials.

To the extent that collective bargaining is short circuited by a side deal, concealed by the subterfuge of role-playing, the process is really corrupted into a form of collusion, which may lead to some subtle means of personal "payoff" to the union official involved.

Some may consider such "businesslike dealing" and collaborative activities to be an advanced stage in collective bargaining and, therefore, evidence of maturity in union-management relations. Any such drift toward centralization of power and authority is, however, an indication of some atrophy of the democratic and bargaining processes. And a weakening of popular control and democratic checks within a union enhances the opportunity and temptations to use power for corrupt purposes.

When unions are still struggling for their existence and security, they are likely to be headed by individuals who are not too squeamish about the means they employ to obtain their objectives. Some "labor statesmen" early in their careers, condoned the use of strong-arm methods and industrial sabotage. And even in recent years, it is not unusual for unions to violate the law by such means as mass picketing and roughing-up persons who oppose union policies.

We went into a number of examples yesterday of those types of activities.

A union's normal activities often involve the threat to use pressure and power either against employers or in politics. As organized labor has gained in economic and political strength, its threats of punishment become more potent. The strike aims at inflicting economic damage. In politics, unions resort to lobbying, campaign contributions, and other political activities in order to obtain favorable treatment by Government, including the police and the courts.

Union leaders are accustomed to the use of the threat of force and money to win their objectives. Their approval or disapproval of an employer's proposal may mean much to him in terms of money cost; their favor can, in some cases, represent significant economic advantages. Consequently, it has been possible for officials in some unions to benefit personally from employer contributions to testimonial dinners and from gifts of one sort or another.

The McClellan committee received during the first half of 1957 a large volume of letters from union members charging misuse of union funds, sellouts to management, racketeering, and local-union dictatorship maintained by various undemocratic methods, including trustees and gangster tactics, although more complaints were lodged against the Teamsters than any other union, many others were also named. If such widespread allegations have factual support, corruption of one kind or another is fairly prevalent in a significant section of organized labor in this country.

And, in conclusion, what should be the verdict on corruption in labor unions? Like Israel, as John L. Lewis once said, labor has many sorrows. The labor movement in America, like other social and economic movements, has suffered the privations of an unfriendly environment. And the arrows of armies and critics; like many such movements, it has struggled for many years with the problems of growth and influence in a time when prosperity, technological change, and the skill of the opposition present the prospect of decline; its problems are universal. But corruption has been a special sorrow. Alone among its peers, the American labor movement has been accused of corruption in intolerable degree. The charges, and various versions of the facts, have become a currency of international conversation, and have left a mark at home.

It is obvious that many of the environmental and institutional factors that have contributed to corruption within American unions seem likely to continue to operate much as they have in the past. They are both pervasive and deep seated. Consequently, vigorous and unremitting efforts will be required if some lasting reduction is to be affected in the acquisitive activities of union officials, pursued at the expense of their organizations and the membership.

For these reasons, I believe that a real labor reform bill should address the issue of union abuse of power as well as the alleged abuse by some businesses. The protection of workers from the abuses of union power requires such a labor reform act. The following statements from PROD's counsel, Arthur Fox, further illustrates the need for such reforms:

PROD was founded in 1972 to improve safety and health conditions in the trucking industry. It has since broadened its activities to include involvement in internal Teamsters affairs. PROD is an acronym for a dissident Teamsters group called Professional Drivers Council for Safety and Health (PROD). There now are "PROD candidates" in many IBT local elections. Fox says PROD has 5,400 dues-paying members.

Fox believes the Labor-Management Reporting and Disclosure Act (Landrum-Griffiin Act) has been ineffectul in protecting the rights of union members from abuses by labor leaders. He would like to see Congress amend the Act so that it will insure democratic trade unionism.

Leo Da Lesio resigned as president of Teamsters Local 31 in Baltimore and as president of the union's Joint Council 62 on December 31, 1977. During the last 10 years in which Da Lesio had his job he reportedly salted away $250,000 in a personal severance fund.

Arthur Fox, counsel to PROD, the dissident Teamsters group, told BNA of Da Lesio's "slush fund," calling it an outrage. As a result of a suit filed by a PROD member, the U.S. District Court in Baltimore issued a temporary restraining order barring him from getting at the fund. The order was lifted after an agreement was reached that Da Lesio temporarily could draw only a maximum of $5,000 per month from the fund while the case is being litigated.

Joseph Bernstein is president of Teamsters Local 781 in Chicago. Fox says Bernstein has a "private slush fund" in the neighborhood of $600,000. This fund was started in 1962. By 1976, members of the local had contributed $498,000 into the fund, according to Fox. When Bernstein decides to step down, he gets the money. Bernstein's two sons, who work for their father, also have their own private severance funds.

James E. Coli is secretary-treasurer of Teamsters Local 727 in Chicago, a local whose 2,200 members are "general drivers, embalmers, and car washers." Over the past 3 years, their contributions to his personal pension fund have added up to $164,000, Fox asserts.

Jackie Presser earns over $200,000 a year as a Teamsters official. He is a vice president of the International, secretary-treasurer of Local 507 in Cleveland, and an officer of Joint Council 41 and the Ohio Conference of Teamsters. Fox says Joint Council 41 wrote into its bylaws a special provision giving Presser in effect a personal expense account in addition to his salary.

"The union is picking up all of his living expenses," Fox says, "even the rent on his condominium in Florida, his clothes, groceries, car, and bar bill."

This is something to think about.

Fox also charges that Presser has two businesses on the side which present a conflict of interest with his duties—an automotive maintenance business that repairs employer-owned trucks, and a restaurant frequented by employers.

So nobody really knows what Mr. Presser owns, or what he earns. All we know is he earns a heck of a lot more than any other teamster in America, expect maybe a couple of teamster leaders, and other labor leaders besides himself.

In an interview with the Bureau of National Affairs, Fox cited these situations to illustrate why he feels the Labor-Management Reporting and Disclosure Act is "largely a farce." He thinks Congress should amend the act because it does not sufficiently protect workers from union abuses. The congressional labor committees have not held any major hearings on the law since its passage in 1959.

And that is something to think about.

During a hearing on July 26, 1977, Chairman FRANK THOMPSON of the House Labor Subcommittee on Labor-Management Relations conceded that the laws has received only scanty congressional oversight. "I would hope that whoever is here in the next Congress and is on this subcommittee," he said, "will have an extensive oversight directed to the act so that we can look at the whole thing. It is quite old now and needs review."

The law is based upon congressional finding of a need "to eliminate or prevent improper practices on the part of labor organizations, employers, labor relations consultants, and their officers and representatives which distort and defeat the policies of the Labor-Management Relations Act of 1947, and the Railway Labor Act.

"If the Secretary of Labor took a high profile in enforcing Landrum-Griffin, it would send a tidal wave through the labor unions," Fox said. "Union officials would clean up their acts. Workers would be made more aware of their rights and be more active in union affairs. And more people would run for union office and debate the many vital issues affecting their welfare."

With regard to that, Mr. President, I would cite a very important editorial written by Allen F. Richardson. Let us see what the Labor Department, headed by Mr. Ray F. Marshall, the Government's chief advocate of organized labor and one of the chief advocates of the bill before us—let us see what the Federal Government under his leadership is doing about the situation which Fox described as a "farce" at the Labor Department. In an article entitled "Labor Department Row Deep-Sixes Expanded Probes of Rackets," published in the Daily News Record of Thursday, May 18, 1978, just a few days ago, Mr. Allen F. Richardson, under a New York headline, had this to say:

A request by U.S. Attorney General Griffin Bell for additional investigators to expand government probes of organized crime and labor racketeering was apparently "submarined" by Labor Department officials last week at a budget hearing in Washington.

Testifying behind closed doors at the Office of Management and Budget, Labor Department representatives told the hearing board that organized crime probes had a low priority with the agency, FNS has learned.

Those representatives—when asked by the OMB board about a joint request from Bell and Secretary of Labor Ray Marshall for 125 additional investigators and support staff to specialize in labor probes—"could not reiterate Secretary Marshall's position," one knowledgeable source said.

According to the source, the "sloppy" presentation "leaves OMB with no choice but to turn down the request."

The Justice Department is eager to hire the new investigators to strengthen labor racket inquiries around the country. The 125 specialists would be assigned to Strike Force offices in most major U.S. cities, which coordinate the efforts of Justice, the FBI, IRS, local police and the Labor Department to combat organized crime.

The Labor Department representatives were given the task of justifying the expense before the OMB, which submits budget proposals to the President. OMB had no comment on the hearing.

Although not made public, Bell's request was greeted with widespread approval by Strike Force officials in many cities. They had feared their departments would be trimmed from a national total of 65 investigators to 15.

That proposal had already been made by Frank Burkhardt, the assistant Secretary of Labor, and had been a source of bitter controversy.

But on March 31, according to knowledgeable sources, Bell and Marshall met in private and decided to expand, rather than reduce the number of labor investigators.

Publicly, both men targeted labor racketeering as a major priority for law enforcement agencies around the country.

Why the Labor Department at OMB last week would seek to undermine Bell's and Marshall's position has confused and outraged several Justice Department officials.

Fearing further damage, none would comment at this time for the record, but several said they were "furious" with the performance of the Labor Department Group at the hearing.

"It was an inept presentation, which could only be designed to frustrate the request," one knowledgable Justice Department source said.

"We are shocked," another said. "They made all that noise on the Hill (before a Senate committee) and then turned around and submarined Marshall."

A spokesman for the Labor Department said that version of the OMB hearings "did not square with the facts." He refused further comment on the matter, but cited several public statements by Secretary Marshall that support aggressive investigation and prosecution of labor racketeers.

Officially, the Justice Department said only that it was "opposed to having the program reduced."

There is the widespread impression here, and in Washington, that several officials in the Labor Department would rather see the Strike Forces reduced, than expanded.

"We thought we had finally beat City Hall," one New York official in the Labor Department said about the Bell proposal. "Burkhardt was trying to dismantle the program."

Another Labor Department official, Dan Gill, a chief of the national enforcement branch, said political pressure was causing the apparent schism. "You wonder about this, with major legislation on the Hill. Any talk of investigation upsets the labor movement.

The comment refers to the bitter debate under way in the Senate over proposed amendments to the National Labor Relations Act.

Organized labor considers the bill crucial to modern labor movements. Business is vehemently opposed to it.

I want to compliment Mr. Richardson, because I think Mr. Richardson has done the public a great service in this fine editorial explaining the problem. Almost everyone in America has heard that they wanted to reduce, in the Labor Department, the investigative force against labor racketeering from 65 down to 15. I think it should be a part of the RECORD that Burkhardt, who is seriously criticized in this report, is a former official of the painters' union. As a matter of fact, I think if an analysis was made and it was really looked into, not one of the high-level people, Assistant Secretaries of Labor, is a person who would be considered to be no pro-labor, or a person who would be considered to be a moderate, middle-of-the-road person trying to do what is right for all segments of the work force in our society.

Not the least of these people is Mr. Secretary Marshall himself, because I cannot help but believe that he knows what is going on. He sent these people there. We cannot ignore the top man in the Labor Department like this, and scuttle this program which is so drastically needed. If anything, more than 125 more investigators are needed.

It is easy to see why Mr. Fox and the broad group within the Teamsters' union can get upset. And they are not the only ones. There are thousands of people all over this country, many of them my brothers in the labor movement, who are upset, too. They know that if this trend continues, they will be trod upon, just like the Teamsters in America. We have to stop it, and unfortunately this bill does not do anything about it.

Going a little bit further, Mr. Fox said:

The way the law is written the union member has the sole responsibility to make sure his union isn't corrupt. The union member isn't capable of that responsibility—he's driving a truck 60 to 70 hours a week.

"Although the law imposes the common law fiduciary duty upon union officers to act solely at the behest of their members," Fox said, "working people generally lack an understanding of this duty and the ability to investigate and prosecute violations." The result, he said, is that "union officers may virtually do as they please, whether beneficial or detrimental to their members."

Joseph Rauh, a former noted union labor lawyer in Washington, has also confirmed many of the assertions made by Fox in his analysis of what needs to be done in any "true labor reform." Mr. Rauh has never been known as a spokesman for the business community, or even for the other side of the fence in this particular area.

Fox suggested that "Union lawyers who aid officials in accomplishing their unlawful ends should themselves be held accountable." A case in point, he said, would be the attorney who wrote "Presser's Travel and Expense By Law."

These are some of the things that have to be considered.

Mr. President, I would like to read one more editorial and compliment the writer, who is world renowned for his analysis of labor problems, and who is known for his courage in this particular area. This is a release dated May 19, 1978, by Victor Riesel. It is entitled "Why the Odd Couple, Carter-Meany, Must Grin And Bear Each Other." It is datelined in Washington:

WASHINGTON.—The nation's most professional curmudgeon, labor's chief of chiefs, George Meany, whose avocations include amateur painting, organ grinding, melodious singing of Irish songs and media-mashing, has accused the press of "looking for blood on the floor."

This caustic crack referred to newspaper accounts of an alleged closed-door confrontation between President Carter and the president of the AFL–CIO. This actually is one of the hottest tales in town. So it's politically vital to reconstruct the meeting of the two powerful men the morning of May 10, during which, says Meany, Mr. Carter asked the labor chiefs to accept "wage controls" voluntarily.

According to several influential members of labor's high command who were in the Indian Treaty Room that morning, the president of the U.S. walked in exactly at 9 o'clock. Almost immediately he began a 20-minute appeal for deceleration of future wage demands albeit without any specifics. Then he started to leave.

Meany reportedly said, "Wait, Mr. President. I think you ought to wait and hear what I have to say."

The smiling president sat down again. For another 20 minutes he listened to labor's elder of elders explain why their high command couldn't go along with deceleration. Slowly, Mr. Carter's smile did a Dorian Gray. Swifter and swifter his fingers tapped the table.

When Meany finished, Jimmy Carter left in cold, controlled anger, as one senior White House official said afterwards. What the president later told his domestic policy braintruster Stu Eizenstat had enough acid in it to etch the Capitol dome on the Washington monument.

The president had asked the AFL–CIO Executive Council members that morning to notify their local and international unions to take a voluntary decelerating position on their new contracts. This would mean deceleration to something below what they had won in their last collective bargaining agreement. Mr. Carter didn't get much of what he wanted, except for some antiinflation rhetoric.

However in the technical sense this wasn't a confrontation. The odd couple, Carter and Meany, need each other. The president positively needs labor's political machine—especially with the congressional and gubernatorial election and the Democratic party midwinter mini-convention moving in swiftly.

Actually, authentic reports have it that the AFL–CIO professional political activists who run their powerful Committee on Political (COPE) haven't been in touch with a single White House political strategist for almost a year.

COPE and the Democratic National Committee have been as intimate as Hatfield and McCoy. Such a continual split in the ranks could be disastrous for the Democrats at the ballot box this fall—and thus collapse what is left of Jimmy Carter's political standing.

But on the socio-economic front, the story is as sharply different as a bikini is from a monk's robe. Since last June the AFL–CIO's second echelon officials have been in almost daily contact with Mr. Carter's Stu Eizenstat and his staff. Together, for months, they developed, line by line, the wording of the proposed "labor law reform."

The AFL–CIO's secretary treasurer Lane Kirkland or Meany's executive assistant Tom Donahue, Vic Kamber, head of the Labor Law Reform Task Force and Larry Gold their lawyer, were over in Eizenstat's own office with the regularity of a grandfather clock's chimes.

Paragraph by paragraph, the new act was drawn and put on Jimmy Carter's desk by Eizenstat. Line by line, the President approved, edited or rewrote the proposals. So much so that Jimmy Carter legitimately could claim he wrote it—and that he was labor's "partner" in the push for the Senate passage of S. 2467.

Further, the White House directed Labor Secretary Ray Marshall to get into the fight, which some have called a "holy war." And Marshall sure has. I don't recall, either from research or from personal coverage, any Secretary of Labor who has so openly made himself one of the leaders of the labor's propaganda and legislative drives.

His has been a slashing assault on all critics of the bill. He has spoken at an outdoor rally. He has accused a prominent economist, critical of the act, of selling out to big business.

It's a "bloody" battle, as one insider put it. Both the President and Meany need a heavy congressional victory.

Jimmy Carter must have it to launch his drive for reelection.

Meany needs it to launch his movement's drive on the Sunbelt. And both men need organizational victories.

For Meany, the Washington pro, it's an old ball game. For Jimmy, the amateur, it's his first real pitch. The Panama Canal was just a spring training warm-up.

So the odd couple make like they're a team.

I thought that was an interesting article, not because I really believe that Jimmy Carter wrote this bill, because I do not. I know who wrote the bill. Frankly, the AFL-CIO labor lawyers had a major role in writing it. That is one reason why it is written in such a partisan manner and does not take care of the problems I have been discussing today.

I have only discussed a few of the changes that should occur. We will bring out many more during the course of this debate, which I believe will go on for quite a significant period of time.

(Mr. BUMPERS assumed the Chair.)

Mr. HATCH. In any event, Mr. President, I think it is time that we started putting employees first and big corporations and labor unions second. But even then when we put them second there ought to be a balance there. They ought to be treated basically equal.

I would suggest that the present law, which has served labor and management well, but pursuant to which we have this bill, should be preserved, and we should, as legislators, work on trying to solve the problems that really exist and not create easy organizing legislation for one side to the detriment of everybody else.

I note that the distinguished Senator from Wyoming is here. I will yield the floor at this time.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, I compliment my colleague, the junior Senator from Utah. Without his persistence in commanding the withheld report from the Small Business Administration, I think the Congress and the American people would not have been privileged to the information from at least one major part of the executive branch which has the obligation to look after the welfare of the principal part of America's economic greatness, the small business world. It would have never come to light. We would never have had the balancing opinion offered to us, and the public would not have had the balancing opinion offered to them, which is provided within it.

I would hope that the fears expressed within the article in the Washington Post this morning concerning the possible tenure of one of the two remaining authors of that report would not be so.

The majority party and, certainly, the President, have talked about how difficult it is to get rid of civil servants; that is why we need reform in the civil service. Yet, they apparently have no difficulty removing from their sides the various thorns who might disagree, however honestly, with postures taken by the administration. In other era, it might have been called book burning. Unfortunately, it is not the first time that we have had this unfortunate type of behavior within this administration.

I refer to the fact that the second page of the Washington Post article says, "One of the authors, Attorney Michael Cawley, left the SBA recently after his temporary assignment ended and he was not reappointed. Another, Steve Mollett, Director of the Office of Advocacy, has told coworkers he fears he will lose his job in an SBA reorganization now under way."

Mr. President, I suggest that, for the whole of this country, it is unfortunate that people who do honest work that they are hired to do must feel such a threat on their horizon. The administration does not have to accept their report; the Labor Department does not have to agree with their reports. But how are this country and its agencies of Government supposted to represent the interests for which they were created if their honest research efforts are not allowed to become public simply because they disagree with the ideas and opinions of another section of the government?

Again, the item says:

Mollett yesterday termed the report "a hot potato" that "certainly does not reflect the administration position" on the labor law revisions.

"If they had just released the ——— paper back in February, I don't think it would have been as volatile as it is today," said Mollett.

I think that may be true. It is unfortunate that the administration, in a variety of issues, has seen fit to hold things in until the steam builds behind them to such an extent that the public must demand that the reports be released and then must ask itself and the administration what was in it that was so critical, so devastating, that the origi-

nal arena for debate of these issues, the Congress of the United States, could not make a legitimate, balancing assessment between the reports of the Small Business Administration, for example, and the report of the Labor Department.

The problem is that the Labor Department did not really have answers for the statements that were in the report from the Small Business Administration. Again, one has to express the same kinds of worries, the same kinds of concerns over the tenure of people and the ability and desire of this administration to allow those people who are hired to do their work to express the things that they determine, in the course of their research, to be the facts as they see them.

I refer in the article to a report about the proposed consumer agency's effect on small business. "The author of the Consumer Agency Report," says the article, "a GS–15 named Barbara Dunn, who had worked for the Government for less than a year, was later fired."

I think it is a sad state when people of this Government cannot do the work that they are hired to do. It is a question of having somebody say—again, I have used this quote so often. It is a funny thing that the Congress of the United States seems to have these endless series of circumstances arise in which one has to point out that the "emperor is indeed naked." The clothes on the emperor are an illusion in the mind of the emperor himself, and those who clothe him with intelligence and the best assessments that they can come up with are shunted off, fired, allowed to go their own way. The reports, the work that they would do, that would clothe in respectability some of the dialog that occurs in this country, would clothe that emperor in that respectability.

I find it so hard, frankly, to believe that people would be so frightened of information that they would seek to suppress those kinds of reports. Surely, if there is merit on the side of an argument—and in a democracy, we are created to look at all sides of the arguments and make decisions based on them—surely, if they had real confidence in the posture that they have taken, no amount of reports from the Small Business Administration, the Department of Defense, or anywhere else could deter them from the logical discussion of the issues as they saw them. And the rest of the country would feel comforted in knowing that this is indeed an arena in which contrasting ideas were discussed and, on balance, Congress came down on one side or the other. To deny the Congress and the public the privilege of a report such as that is to deny that this is a legitimate arena for argument and that those who are elected to this arena have within them the capability of making a decision based in any manner on the merits of the arguments in front of them.

Are we, Mr. President, elected here to make our decisions based on the selected information that the administration allows out in public, or are we here to make our decisions on all the information that is available and the best minds that the country can hire to work on the various problems?

One need not agree either with the conclusions of the Small Business Administration's Office of Advocacy or with the rebuttal of the Department of Labor. But one must agree, the country must agree that to withhold information on one side or the other when that information exists is to make a judgment that, somehow or other, Congress would give more weight to one argument than another and would not consider carefully the issue at hand. I suggest, Mr. President, that that amounts to an insult to the Congress of the United States. It amounts to a charge that we would not, in fact, do our work, that we would be more influenced by one report from this Government than another, and that the arguments contained are, in some manner, too difficult. I guess that is the only conclusion that one can draw, that they must think it is too difficult indeed, for us to decide amongst them.

Earlier, I was describing why I thought provisions in this bill were slanted toward labor and slanted, indeed, toward bigness in America—big Government, big business, and big labor. The reason that I said that is contained in this report. I had not seen it, I had not even known of its existence. Senator HATCH had been carrying that fight and I think it was well that he did; but I had not known of it. The problem that we have in all of this is that the small employers of this country become incapable of standing up to the provisions of the bill. Why does one say that? Would it not affect big business as well as small business? The plain fact is that, as we discussed earlier, big business has economic power, political power, perhaps defense-related power, and small business probably does not have, and could not afford to fight any sort of decision to remove from them the Government contracts, the benefits of years of Government contracts.

Small business just simply does not have the economic power to hire teams and batteries of lawyers to stand and fight on and on and on. Big labor does. Big business does.

I felt so strongly about this that we investigated. We asked the Department of Labor to find for us a breakdown of the charges of unfair labor practices in my State of Wyoming during the past year, the disposition of those charges and against whom they were made, whether by unions against employers or by employers against unions.

Curiously enough, to back up what others have felt, although the greatest number of cases filed were by unions against employers, the majority of the union charges were ruled "unmeritorious" by the NLRB. That is an interesting thought.

I think the Senator from Utah described quite clearly the problem that exists with this bill and, indeed, with present law. That is why one can scarcely call what is in front of us reform, because it does nothing for the person, presumably, for whom labor laws were drafted in the first place.

We asked Mr. Moser, Chief of the Data Systems branch, to provide for us a breakdown of the unfair labor practice charges in Wyoming last year, and there were 58. We asked if we could find out who filed the charges against whom and if there was merit in that charge. We got back a very interesting response.

There were 58 charges made in Wyoming last year, 20 of which had merit and 38 of which were deemed to be nonmeritorious.

Breaking that down, there were 15 meritorious charges by unions against employers, or that were disposed of as having been meritorious, and 26 that were nonmeritorious.

There were 5 meritorious charges by employers against unions and 12 nonmeritorious ones.

But what this portends for small business, with the sanctions that are in this bill, is that the number of those charges which end up with a meritorious disposition will increase simply because of their inability, or economic unwillingness, to challenge the Board and any decisions by that Board.

If one is an employer of 6, or 8, or 10 people, he undoubtedly does not have a full-time attorney, let alone a battery of them. He may not even have an attorney on demand, but must go to a retainer relationship. The fight through the courts may take years, with the might and power of the National Labor Relations Board, with the endless ability to spend, to confront challenges in the courts, to sustain their charge, and the very minimal ability of a small employer of a few people to contest it economically. The winning may prove more devastating than the losing.

So those charges will go up and the conclusions that they were meritorious will increase, not because more meritorious charges were there, but because of the accession, the crying "Uncle," if you will, because of the economic power behind the National Labor Relations Board.

The small businesses will not be able to contest or sustain the remedial provisions, and the formula by which those remedial figures are determined has no real relationship with the employment circumstances of most people in the world of small business.

On the so-called make-whole remedy, wherein the National Labor Relations Board rules that if an employer refuses to bargain, the Board may award the employee compensation under a special formula. How marvelous for a board to be able to award the employee compensation. They do not have to pay for it. Indeed, the employer, if he is unable to pay for it, may go out of business. That is a great service, a great reform. If one is an employee of America and loses his job because Government ran the employer out of business in the name of reform on his behalf, surely he will go to bed at night thanking the powers that be along the Potomac who reformed his family into hunger and unemployment.

I, for one, cannot understand how we can proceed with this. The formula is based on back benefits and wages to be received, plus increases, as completed by the Bureau of Statistics.

The Bureau of Statistics is nationwide. Those statistics have a national bearing, but they have literally no bearing on any one of our individual States.

The hodgepodge of results that come from such nationalizing of the compensatory factors in this country, or any other factors, ends out a disservice to any State, any individual, and any employer, wherever he may be within this country.

Now, no employer should be permitted to block employees' rights to organize by using stalling tactics.

But the effect of this provision among small employers will be to discourage an employer from contesting any proposal a union might make for fear of financial penalties if the case is brought before the Board.

Once more, the economic power contained or granted to this Board by this Congress, if it sees fit to go through with this, gives them such a lever and a hammer that the small people of this country when confronted with these kinds of bargaining tactics will accede.

Sooner or later, it will be found that they accede every time an issue is brought before them, and sooner or later after that, it will be found that, one by one, those small businesses dropped from the landscape in America, will be picked up by the computerized big, to be lost forever from the scene of this country and replaced by some substandard, plastic arrangement contrived by the big in this world. We will then end up with a tripartite government of big business, big labor, and the Government itself, to the exclusion of the small, and perhaps with the vanishing of the species called small.

Big will be able to survive, because big can wallow in that mishmash. Big does not concern itself so much with the efficiency, or lack thereof, and the difficulties required by numerous forms and endless reporting and data gathering. They can lay it on, and lay it on the consumer on the other end. But the small cannot do that. Small has to compete for its customers. Small has to compete for its existence.

This formula puts one more great, big club in the hands of the big. When that club is there, it will be exercised, whether intentionally or by default, simply because they have the economic power to compete. If these small employers are discouraged from contesting any proposals any union might make, pretty soon those proposals will drive them into the mother maw of the great businesses in this country.

It does another thing: It changes the basic philosophy of the original National Labor Relations Act from compensation—compensation to injured parties—to punish all those deemed, in the eyes of this nonelected, appointed Board, to be wrongdoers in this country, regardless of the merit of the justice involved.

When we in Congress try to make these labor laws lose the purpose of protecting the rights of employers and in so doing enhance and increase the economic and political power of union bosses and not union members, the country ends up the worse for it, and so, too, in the long run, do the employees.

There is another part of it that becomes even worse—the extra backpay provisions. Under this measure, the National Labor Relations Board could award an illegally fired employee extra backpay.

Mr. President, I understand that the Senator from North Carolina would like a few minutes to speak, and I ask unanimous consent that he be permitted to speak and that his remarks appear at the conclusion of my remarks; also, that the interruption will not count as my having made a second speech this day.

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

(The remarks of Mr. MORGAN which were delivered at this point are printed later in today's RECORD.)

Mr. WALLOP. I thank the Senator from North Carolina, and I compliment him as well on his argument.

I do not want, myself, to get into the circumstances surrounding the backpay issue, because, while admittedly one can avoid those criteria by so-called bargaining in good faith, the determination as to who is bargaining in good faith may become a threat if you do not have the economic capability of withstanding the might possessed by the National Labor Relations Board, or the union, if you are a small employer.

Mr. JAVITS. Mr. President, will the Senator yield for one point?

Mr. WALLOP. As a question, yes.

Mr. JAVITS. It is a fact, is it not, that there is court review which is available to the employer if he feels that a finding of an unfair labor practice in such a situation by the NLRB is improper?

Mr. WALLOP. The Senator is correct, but—and it is a big question—it depends on how much financial ability you possess to contest it. Going to court is an expensive business, and there is nobody to pick up the tab when you go there.

That is why I worry about the size. It is fine for Ford Motor Co. or Exxon Co., or someone like that; they can go to court, and will. But if you are an employer of 50 or 60 or 75 people, it may be economically impossible for you to go through and contest the full might of the U.S. Government, which is, after all, the economic power you are facing in a decision by the Board.

They can appeal ad infinitum. If you do not possess the economic power to resist, then at some point you capitulate.

Mr. JAVITS. I think the opponents of this bill really claim too much, if the Senator will forgive me. I think the Senator knows me well enough to know that I am not blindly partisan in this. I think they claim that everything about the record of the NLRB will now be undone. The fact is that the NLRB rulings on the whole have been considered fair by employers. They have found time and again unfair labor practices by labor and have exculpated time and again management from unfair labor practices.

Using the word "unfair" is really a very woolly standard. We use it as a rubric. As a matter of fact, the rules of law are very clear about good faith bargaining. It is not all that up in the air and all that woolly. Good faith bargaining is defined in cases and as adjudicated by courts. That is a businessman's risk for everybody—litigation. That is not a reason why we should deny a remedy where a remedy is deserved.

As I say, I am not trying to tempt the Senator into some forensic argument, but I do submit those arguments to the Senator as standing side by side with the arguments he made.

Mr. WALLOP. Mr. President, I would like to continue to speak for a moment on the so-called extra backpay, because it, like the other provisions, change the direction of this law from a law which has served this country well in trying to bring about labor harmony within the working arena in America, trying to control and even order labor orderliness. Now we are moving from a protective posture to a punitive posture. Government in this instance will no longer be a benign coordinator of the labor problems as they arise in America, but will be possessed of a club. We are to be, as it were, small children who must submit to our Government rather than be served by it.

This punitive nature here and in other parts of the bill go a long way toward causing those of us who have concern about it to question the results which will come about should this legislation pass. Certainly one can question the motives of those on the outside pushing it, because they seek more economic and political power and basically do not seek to remedy the situation as it exists in America.

There are penalties here for employers, though it is said the penalties go both ways. They probably do in isolated instances. But given the circumstances that exist, penalties will go toward employers 20 to 1, simply by reading the bill, compared to unions.

As part of that, one has to look back at history. Why not study recent history? Why not talk for a moment about the lack of penalties here for union leaders who engage in unfair labor practices, even things contrary to law, practices which are not addressed in this bill and over which remedies do not exist?

I feel that there is a bias and a cast to this legislation which, despite the protestations of the proponents, exists in the language of the report and exists in the bill itself. I think historically, and in recent history, one can look to the Labor Department and its characterization of events in the labor relations field and have nothing but trepidation as to where this bill might go.

During the recent coal strike, Secretary Marshall from time to time characterized it as essentially orderly. Finally, even after it was over, in an appearance on Issues and Answers on May 21, last week, he characterized the coal strike as:

> Secondly, during the coal strike there was a minimum of violence in spite of a lot of predictions that there was going to be.

Mr. President, I now wish to refer to a document from the Department of Justice, dated March 24, 1978, a coal strike incidence daily summary report.

I would like to run down through what the Secretary terms as a strike with a

minimum of violence and ask the Senate if it agrees that 3 fatal assaults were minimally violent, 2 assaults, 37 bombings, 1 hostage taken, 72 disruptions, for a total of 111 occurrences, prior to March 6 of severe violence. During that time, there were 9 injuries, 3 deaths; 17 instances of railroad sabotage; 6 incidents of gunfire involving persons, 11 incidents of gunfire involving motor vehicles, 2 incidents of gunfire involving trains; 16 instances of mine property damage; zero instances of property damage to unions; personal property damage, 1 incident; picketing of union mines, 4; picketing of nonunion mines, 5; blockading highways, 3; demonstrations, 1; firearms displays, 1; threats of violence, 2; and others, 3.

Mr. President, I ask unanimous consent that this document be printed in the RECORD.

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

COAL STRIKE INCIDENTS, DAILY SUMMARY REPORT

	Occurring prior to Mar. 6	Occurring since Mar. 6	
		New incidents	Total
1. Incidents:			
Fatal assault	2		1
Assault	2		
Bombings	34		3
Hostages	1		
Disruption	72	9	72
Total	111	9	76
2. Location:			
Alabama	6		9
Illinois	7		
Indiana	9		4
Kentucky	44	2	23
Ohio	5	1	1
Pennsylvania	14	5	18
Tennessee	1		1
Virginia	18		6
Washington, D.C			2
West Virginia	7	1	12
Total	111	9	76
3. Casualties:			
Injuries	9	2	3
Deaths	2		

DISRUPTION INCIDENT SUBCATEGORIES

	Occurring since Mar. 6	
	New incidents	Total
(a) Sabotage, railroad	3	17
(b) Gunfire, persons		6
(c) Gunfire, motor vehicles	1	11
(d) Gunfire, trains		2
(e) Property damage, mine	4	16
(f) Property damage, union		
(g) Property damage, personal		1
(h) Picketing, union mine		4
(i) Picketing, nonunion mine		5
(j) Blockade, highway		3
(k) Blockade, railroad		
(l) Demonstration		1
(m) Firearms, display		1
(n) Threats of violence		2
(o) Other	1	3
Total	9	72

Mr. WALLOP. Mr. President, one can scarcely call that minimum violence and get such characterization from the chief labor officer of this country. When one couples that with the bill that casts the court language, one again has to come to the conclusion that it is too narrowly drawn, that it is drawn as a vendetta, as it were, against employers in this country, without recognizing that labor problems exist on both sides of the line. Inasmuch as they do, no piece of legislation can legitimately bear the title "reform" until it deals with both sides evenhandedly on the problems in the labor movement.

When I suggested this earlier, I was told that any legislation which went that far would be too broad and too much for us to take up. I guess that it is wrong for us to go so narrowly, to consider only the perceived problems of one side of the labor confrontation arena. Both sides are in it, both sides must find means of reconciliation. Anyone who characterizes such violence as listed above as minimal can only lead people to believe that one will not receive evenhanded treatment at the hands of this Government, and we should be able to do that.

I should also like to have printed in the RECORD, Mr. President, and read, an article from the Wall Street Journal of March 24, 1978, entitled "Labor vs. Labor—Department That Settles Work Disputes Can't Reach Accord With Its Own Union." The article is by Mr. Robert W. Merry, staff reporter of the Wall Street Journal. I bring this out because, basically, rules and regulations and cast of this legislation will be managed, produced, promulgated, and otherwise implemented by this Department. The dateline is Washington. The article reads as follows:

WASHINGTON.—Employers seeking guidance on how to handle their labor relations might consider the example of the U.S. Labor Department—as a lesson in what to avoid.

The department is the agency that steps in to help solve seemingly insoluble labor crises such as the coal strike, but for the past three years it has been unable to negotiate a contract with its own little union, Local 12 of the American Federation of Government Employees.

The impasse, which isn't likely to be resolved soon, has generated a lot of bitterness. Many officials in the department, whose constituency is organized labor, cling to their general pro-union views, but they insist that Local 12 is different. Local 12 leaders, for their part, view department managers as hypocritical.

The department's labor-relations problem is rooted deep in its past.

"There was always this mentality of 'Look, we're the Labor Department. We're supposed to be miracle-workers in handling our union,'" says one department official. "So whenever there was a threat of bad publicity, people would say, 'Look, we just can't take that kind of publicity. We're the Labor Department.'"

CHERISHED AND REPUDIATED

However successful the department has been at avoiding such bad publicity, it has been unable to end its struggle with Local 12, which has about 2,200 members out of roughly 4,400 eligible department employees at the Washington headquarters.

The struggle dates back to 1975, when the existing labor contract was scheduled to be replaced. On-again, off-again efforts to reach a new contract produced little more than a lot of bickering and a single ad hoc agreement, which is cherished by the union but has been repudiated by the department on the ground that it would severely restrict the agency's flexibility in hiring and promotions.

The union says it won't resume contract talks until the ad hoc agreement is put into effect. The department, which signed the pact back in 1976 in a characteristic act of yielding to avoid controversy, now contends the plan is unworkable and probably illegal.

Meanwhile, Local 12 remains well-entrenched. The department subsidizes it with free office space and telephone service. The union's president, Russell Binion, pulls down a full salary in the $35,000 range as an equal-employment specialist, but he almost never shows up for work; he relies on a liberal interpretation of a contract provision allowing "reasonable time" for union business. He also gets a parking space at nominal cost while most other department workers must be in car pools to get that privilege.

While observers differ on just how the impasse developed, many think it had something to do with Mr. Binion's shrewd perception that political pressure in the public-employment arena serves the function of economic pressure in the private sector. Federal employees are barred by law from striking, but because the department fears offending its labor constituency by appearing tough toward its union, Mr. Binion has been able to wield a big stick in dealing with department officials.

There is no better symbol of that stick than the controversial 1976 agreement, known as the "Sept. 3 agreement" in memory of the fateful day it was signed.

That was shortly before Labor Day in the bicentennial year, and just about everyone of any consequence in American labor was looking forward to a gala commemoration at Washington's Kennedy Center, complete with a parade of limousines, hundreds of labor VIPs in full splendor and a performance of "Celebration of Work in Word and Music," by Morton Gould and Carolyn Leigh, which had been commissioned for the occasion by the Labor Department.

But then Russ Binion threatened to spoil the show by placing an unsightly picket line between the limousines and the door. He wanted progress on the contract talks, and his threats generated "all kinds of frantic phone calls," as one insider puts it, between department officials and then-Labor Secretary W. J. Usery, known as one of the country's leading labor negotiators, who was traveling in the Middle East.

There wasn't enough time to reach a settlement on the whole contract, so discussions narrowed to Mr. Binion's most important demand. Thus was the Sept. 3 agreement born.

KEY PROVISION

It stipulated that all job openings above the bottom level must be filled by persons within the bargaining unit who are eligible to join the union, just so long as the unit contains at least three "qualified" candidates.

It is unclear whether the department officials who negotiated the pact realized what they were doing, but it didn't take long, after the Labor Day show went off untarnished, for officials to back away from the agreement.

As one reason for retreating they point out that "qualified," in civil-service jargon, denotes applicants with the bare minimum qualifications for a job. Such persons almost always are passed up in favor of "highly qualified" candidates.

But the department also contends that the agreement would require illegal discrimination against department employees who work outside Washington, or in certain headquarters jobs, since they aren't eligible to join Mr. Binion's union and thus would be denied promotions. Besides, they argue, such restrictions would retard the department's effort to increase job opportunities for blacks and women.

Mr. Usery renounced the agreement while still in office, but the present Labor Secretary, Ray Marshall, last year offered a compromise: He would put the plan into effect for six months pending negotiation of the full contract, with the promotion-and-hiring provision to be negotiated along with other issues. Mr. Marshall's offer, it is said, was sweetened with promises of significant concessions in the resumed talks.

AN OPINION OBTAINED

Mr. Binion rejected the offer, and so Secretary Marshall sent the ad hoc agreement to the Civil Service Commission for an opinion on its legality. The reply: It's illegal. The result is an impasse, with the department insisting that the agreement is a dead letter and Mr. Binion arguing that the agency has a moral obligation either to live up to its signed contract or else "buy it back" with further concessions.

Mr. Binion says that the agreement is necessary to protect minority workers from getting passed over in promotions. He also criticizes what he terms "arbitrary and capricious" personnel policies at the department. These, he says, are the legacy of a long history of management "paternalism" toward Local 12 (which takes such issues as grievance procedures and promotion policies very seriously, partly because it is barred by law fom bargaining on pay issues).

"Local 12 has always tended to be what you might call a company union," Mr. Binion says. "The old trade unionists (who held high positions in the department) always thought there should be a union here, but they couldn't conceive of an adversary relationship since they were so completely pro-union. And until recently the union never stood up and said, 'Hey, we don't want you to give us anything. We prefer an adversary relationship.'"

That is precisely what Mr. Binion and his Labor Department critics have now. He charges that the department wants to "bust" his union. Its officials retort that Mr. Binion and his minions are out control and that management prerogatives must be restored.

"I believe in unions; I grew up in a union family," says one high-level staffer who has been a Local 12 member since joining the department a decade ago. "But I've come to the reluctant conclusion that this union is almost impossible to deal with in any way that is beneficial to its members."

Now we have here our Labor Department trying to solve a labor dispute within its ranks, unable to, unwilling to come to the point of confrontation. Yet that same Department is going to be making endless decisions on the implementations that accompany this law. That, plus the report language, and the unfortunate characterization of the nature of events in the coal strike by the Secretary of Labor, tend very much to indicate to this Senator, at least, that this legislation and the report that accompanies it, if it goes out of here at all, must be better balanced. It must not be punitive to employers alone.

Curiously, I doubt whether the employees of local 12 would have any opportunity to avail themselves of the provisions of this bill with the U.S. Government. If it did, I guess the taxpayers would be the only ones to foot that bill because, for however far it goes, it is only their money which would go into "make whole" remedies.

We cannot debar the Government from doing business with itself. So that is a remedy that is not available.

The problem is with the bill as it lies in front of us, characterized by the Washington Post editorial, it is pro-union and spends insignificant time on the problems of individuals who belong to the work force in America, whether the unionized work force or the non-unionized work force.

In the long run, these very provisions, as the Senator from North Carolina pointed out, debarment provisions, end up being a penalty basically on employees, not the penalty on employers.

If that happens, they get caught in the squeeze between employers and their big unions, union bosses who are doing things in the interest of economic and political power, not the power of individuals, and this Government which cannot seem to make up its mind as to which side of the world it wants to come down, to do the decent and right thing, and that is on the side of the employee, the individual working men and women in this country.

Mr. President, I suggest that we will have a difficult time in this country should this legislation pass in its present form, because the basic strength of America's economic system lies not in its big companies, but in its small employers and the people who work for them. The people who work for them outnumber the people who work for the large employers of this country, and they primarily will be the ones who finally feel the brunt of this in unemployment and penalties thrust vindictively at their employers, but the result of which end up in penalties on their pocketbooks and, indeed, on their States.

(The following proceedings occurred during Mr. WALLOP'S remarks and are printed at this point by unanimous consent:)

Mr. MORGAN. Mr. President, I welcome this opportunity to speak to the Senate on the third part of the labor law reform bill, the section that I call the remedies section.

For 3 consecutive days I have spoken of various parts of the bill now pending before the Senate. For the last several weeks and months, I have tried very carefully to analyze this bill as thoroughly as I could and to weigh the merits of the bill. I have done so under tremendous pressure from those among my constituents who support the bill and from those who oppose it.

I estimate that I have had approximately 50,000 pieces of correspondence on this bill, not counting the literally hundreds or even thousands of telephone calls that have come into the three offices that I maintain.

Because of all this tremendous pressure, I think it is important that the bill be analyzed and considered very carefully, rather than on the basis of the views of special interest groups who either oppose or support the bill.

So, having discussed previous parts of the bill, today, I do want to talk about the remedies section.

I welcome this opportunity to speak to the Senate on the third part of the labor law reform bill, the section I call the remedies section.

THE REMEDIES

S. 2467 has four basic changes in the current law which would alter the remedies of the National Labor Relations Board and would create new powers for the Board.

There are two changes relating to employees improperly discharged for union activity. The first calls for increasing the present back pay provision from 100 percent of lost wages to 150 percent.

The second remedy deals with injunctions. At present the NLRB may seek injunctions for various purposes under title 29, United States Code, sections 160(J) and 160(L). Currently, injunctions to reinstate employees improperly discharged during representation campaigns are sought under 160(J). S. 2467 would move these injunctions to 160(L) and order that these injunctions be given priority by the Board among all its cases.

S. 2467 also provides that the remedy of debarment will be available to the NLRB. Under the bill before us, debarment from Federal contracts, a remedy that exists in other statutes, would be ordered by the Board where a party was found to have willfully violated an order of the Board. All contracts, except those of a strategic nature, would be canceled.

The fourth remedy is called make whole. I assume that this is modeled on the antidiscrimination laws. Under title VII of the Civil Rights Act, an employee is to be made whole by paying him a wage he would have made "but for" race, sex, or religious discrimination. The bill before us, S. 2467, applies this to collective bargaining. Using Bureau of Labor Statistics figures, the Board would direct that employees be made whole for injuries during the period of an unlawful refusal to bargain. A contract would be imposed by the Government. The remedy appears to be aimed primarily at employers.

BACK PAY

The first of the new remedies is not a very realistic one. I say realistic because I am not adamantly opposed to the concept; I simply do not think it means very much. At present, if an employee is improperly discharged, the NLRB may order that the employer pay that employee his lost wages. The courts have determined that the mitigation rules apply here; that is, that the employee must seek other employment in good faith or accept reinstatement in order to receive back pay. The pay is reduced by the amount received from the other employment.

That is a fundamental and elementary rule of law and a rule of damages that has come down to us from common law days. This bill would increase the amount of the backpay from the current 100 percent of wages to 150 percent.

Mr. President, this simply is not very realistic. For the big businessman, I am sure that he would be willing to pay four times an employee's wages if the employee is engaged in organizing activities and if he could be discharged during the crucial election period. I do not think 150 percent backpay will do the trick.

For the small businessman, this represents an economic burden, but I do

not believe that it poses a real deterrent. I believe that here we see backpay operating as a penalty on the employer rather than as an incentive to retain the employee.

The real issue is how to induce employers to allow organizing campaigns to take place and how to induce them not to violate the law. I believe that a fair labor relations law will do that; I am afraid that S. 2467 will reduce the incentive.

Additionally, my concerns over 150 percent backpay go to the spirit of the change. At present, no other statute provides for more than 100 percent backpay. I am not sure that this labor law needs greater sanctions than the Fair Labor Standards Act or the Equal Employment Opportunity Act. I am concerned that there will be some increase in employee efforts to encourage a discharge so as to reap an economic windfall. I am not suggesting that this is going to reach epidemic proportions, but I do think it can increase. The employee would be encouraged to drag out the settlement of his case to receive more wages.

I believe that there is an important issue of mitigation. It is not clear whether S. 2467 does away with the mitigation rule. If this proposal assumes that an employee cannot secure work and therefore should make no efforts in that direction, then I am against it as a very bad policy. I think that an employee should attempt to protect himself and not await a windfall of 150 percent backpay plus interest.

PRIORITY INJUNCTIONS

The other proposal dealing with improper discharges is what I call the priority injunction. At present, the National Labor Relations Board may seek a preliminary injunction to reinstate an employee on its own determination. Under S. 2467, the Board is ordered to seek the injunction, to give it priority over other cases and to do so on a mere allegation that the discharge was motivated by organization activities of the employee. I am not against this idea in principle, but I think we ought to review the facts more carefully.

First, I believe that it is unnecessary. At present, the NLRB may seek to reinstate employees and may give the injunction priority if the Board believes a case to be meritorious. Second, I think that a review of the record speaks to the lack of need in this area. Last year the Board sought only 55 injunctions under section 160(j) and only a few of these dealt with reinstatement. At the same time that these injunctions were few in number, the Board was increasing its overall activity in seeking injunctions. In 1976, the Board made 163 filings under 160 (j) and (l) and this number rose to 229 in 1977. In other words, at the same time that the number of injunctions were rising, reinstatement injunctions stayed at a low level. I do not believe that is because of an intent on the part of the Board but out of an absence of need.

A more telling statistic is that in 1977 only 67 percent of the employees who were offered reinstatement, accepted it. Again, Mr. President, the need is to prevent discharges. Once discharged, it is hard to return even if the job is offered to you. I stand by my earlier statement that preventing discharges by encouraging employers to allow organizing campaigns to go on, is more effective than threats. I believe we can encourage employers to allow campaigns to go on and to compete fairly with the union if the labor laws are not unreasonable and punitive.

We are told that under this change certain injunctions will be given priority by the Board and by the courts. What we are not told is that several other statutes have priority injunctions. A judge is going to be presented with his normal criminal caseload and with an increasing load of priority injunctions from the EEOC law and the OSHA law. There is not going to be any time savings, only some name changing. There will also be an increase in the workload for the Federal district courts.

Again, this proposal will tilt the balance of the National Labor Relations Act to a presumption of guilt on the part of employers. Since unions have no authority to require employers to discharge employees during representation campaigns and since unlawful union acts of violence and coercion are not covered by the proposal, I believe this measure will apply to employers only and will have the negative impact I alluded to earlier.

CONTRACT DEBARMENT

The third proposal under the remedies section is debarment from Federal contracts for willful violators of Board orders. This proposal would require the Board to automatically, without any discretion, inform the Secretary of Labor of a violation and the employer would lose his Federal contracts for up to 3 years.

Now, debarment exists in other statutes, most notably under the Executive orders on discrimination and the Office of Federal Contract Compliance Programs. The concept of debarment is to deter violations of agency orders. I have no doubt that it would have some deterrent effect. However, I believe that there are several drawbacks to debarment.

First, the threat is more effective than the use. The threat of a 3-year debarment may be less realistic than that created by a 1-year debarment. Debarment is seldom used and once imposed, it represents a breakdown of the system. Second, after a few months of debarment, the greatest impact is on the employees the remedy was intended to help. A loss of Federal contracts will eventually result in a loss of jobs. I have heard some arguments that this is not the case, but I do not think there can be any other result.

The remedy is purely punitive. It is aimed at employers and if the motive of the remedy is to cure a few major law violators, it may not achieve that goal and may alienate many employers who are not violators of the law, and produce more delay. As this bill tries to remove sources of delay, I am surprised that we are creating so many new remedies which will require court review and years of interpretation. Debarment fits into that category.

Let us assume for the sake of argument that there is a manufacturing plant of 100 or 150 employees where the employer is doing contract work for the Department of Defense manufacturing, as a usual rule, one particular item, such as T-shirts or undershirts. If for some reason the employer is held to have willfully violated a fair labor practice or has been found guilty of an unfair labor practice, he would be debarred from carrying out the Federal contract to manufacture T-shirts and would be put out of business. But the 100 or 150 employees that this bill is purportedly designed to protect would also be put out of work and their jobs would be gone.

The remedy that it provides for invades, in my opinion, the province of the National Labor Relations Board by removing its discretion under section 160(c) to shape remedies it determines are necessary. I think this is a serious move to take without further consideration.

It seems to me that the proponents of this bill lack confidence in the National Labor Relations Board, a lack of confidence which I do not think is justified in light of the years of service and the kind of service that it has provided.

One final note on debarment, the purpose of this remedy is to prevent violations or to cure violations of Board orders. Personally, I believe that this is unnecessary. There is a part of our law today which will, if utilized, achieve the same result. At present there is contempt power in the courts and the ability of the NLRB to seek nationwide injuctions. There have been only a few repeating law violators and I believe that they have been given undue attention by the Senate.

"MAKE-WHOLE"

The fourth and final remedy is the make-whole provision. Mr. President, I stated in my first address to this Senate on S. 2467 that I would not stand in the way of needed reform. I must state that I feel that this provision is the most unjustified and unmanageable provision of this bill.

Under S. 2467, the remedy would be triggered by an unlawful refusal to bargain. The purpose of the bill is to induce employers to bargainn in good faith less he incur the wrath of the make-whole remedy. If he does not, then a settlement would be imposed on the employer. It would compensate the employees for wages and benefits they would have received if the employer had bargained in good faith. The figure to be employed would be one provided by the Bureau of Labor Statistics for the percentage increase in wages and benefits secured by employees in units of 5,000 or more in a quarterly period.

My objections to this provision are so many that I would do better to list them than to go into each one in detail.

First, I would like to know the source of using Bureau of Labor Statistics to determine what employes would have received. Under title VII, for example, back pay is awarded on the basis of actual losses and not any measure of contractual damages. This approach is too speculative.

Second, I would like to know what business the Government has interfering in collective bargaining. The law is to facilitate bargaining not to preempt the need for it.

Third, how do we avoid the inflationary impact of this proposal? Will not every union seek the percentage increase of the Bureau of Labor Statistics figures as a basis for any negotiation? I believe that any union that did not would be foolish.

Fourth, do we not have inducements now on an employer to bargain in good faith in the form of remedial action by the Board and a requirement that an employer pay attorney's fees?

Fifth, are we not just creating more delays and more litigation which were supposed to be reduced in the earlier parts of this bill?

(Mr. HARRY F. BYRD, JR. assumed the Chair.)

Mr. JAVITS. Mr. President, will the Senator yield to me, if it is convenient?

Mr. MORGAN. Not at this time.

Mr. JAVITS. All right.

Mr. MORGAN. I have all these questions and more about the so-called make-whole remedy. I believe that of all the proposals under this bill, this one is the most one-sided and the most unmanageable. It flies in the face of labor law experience and the thrust of the National Labor Relations Act, which is to promote, not to dictate, collective bargaining. I really do not think there is much more to be said. I feel this is a bad proposal and an unneeded one.

SUMMARY

I have mixed emotions about the remedy section. There are certain provisions to which I am not averse; there are others with which I have some concern about their effectiveness, necessity or bias, and there are others which I find insulting and injurious to our system of labor-management relations.

I hope the sponsors of the bill will address some of these specifics.

I am delighted to yield to the Senator from New York for——

Mr. JAVITS. Just a question.

First, let me say I appreciate the thoughtful way, which is quite characteristic of the Senator from North Carolina, in which he has approached this problem. I do not rise to debate with him now, but I would like to ask him if his understanding is like mine with reference to the law at present, and his understanding of the bill.

I might say to the Senator, we did not intend to establish any new standard for good-faith bargaining. We intended to leave the present standard as it is, and that the so-called make-whole remedy is exactly what it is, a remedy. There is no question about that.

Does the Senator understand or believe there is anything in this bill that changes the substantive law as to good-faith bargaining, in respect of a first time?

Mr. MORGAN. I understand that it does not change the standard by which you would determine whether or not there had been good faith bargaining. But the elements that go into making such determination vary.

I think the fact that the Bureau of Labor Statistics could be injected and could have some effect on whether or not one would be willing to enter into certain negotiations or agreements could, overall, have a detrimental effect.

Mr. JAVITS. Right. May I just say this: If the union is guilty of failure to bargain in good faith, they would be just as liable as the employer; and if the Senator can find anything in the bill which prejudices the substantive issues, we certainly would want to change that, because our sole purpose was to give a remedy where there now is none. There is no remedy whatever today except that in a few cases the NLRB has decided that they will give the counsel fee with respect to prosecuting the case.

Senator WILLIAMS and I are in agreement with the Senator from North Carolina that we should try to find some other index. This is the only one we could find at this time which was reliable. I will assure the Senator we will continue our efforts to find some other index with which to deal with small business, as distinguished from very rich bargaining units.

Mr. MORGAN. I will say to the Senator I certainly agree that if a union refused to engage in collective bargaining, holding out, let us say, for wages that would meet this index, it would, of course, be guilty, in my judgment, of an unfair labor practice.

But the difficulty is that the facts are not always clear. It is not always easy to see which party is guilty of an unfair labor practice. It troubles me that discipline itself may impose a problem wherein the employer might be held to be guilty of an unfair labor practice.

Let us be candid and frank about it: The cost of living in the distinguished Senator's State of New York is—I was going to say tremendous, and I think I would say it is tremendous; it is a great deal higher than it is in my home State of North Carolina. We are told that we have among the lowest per capita incomes in the Nation, and yet a very responsible, recognized economist recently did a study taking into consideration cost of living, local property taxes, State taxes, and various city taxes, and found that North Carolinians have more disposable income than citizens of any other State, I think, save 10, or 11, or 12.

So it seems to me it would be extremely unfair for this kind of index to be used by the Government to impose a settlement in North Carolina, even assuming that the employer were guilty of an unfair labor practice.

Mr. JAVITS. Let me say to the Senator that when the Senator says "guilty of an unfair labor practice," all it means is that the employer refused to bargain. I wish to make this legislative record on the part of the proponents of the bill: An employer is not obligated to agree. Collective bargaining does not compel agreement. So long as he bargains in good faith, there is no penalty against him whatever.

Second, the penalty is a percentage penalty, so it would be based on the standard of wages or salaries involved in the case.

So it seems to me that those factual details are dealt with fairly. But as I say, we are trying to consider a better approach to the index.

One thing the Senator has said which I would beg him to consider carefully: That is that if we prescribe a remedy where there is no remedy, is it fair, then, to say "Because you have prescribed the remedy, it will encourage unions to make complaints"? That is really the philosophic question which we face.

There is no remedy now. We should give a remedy if we really mean what we say. Therefore, are we to say to ourselves, "No, we will not give a remedy because if we do it will encourage people to complain"?

Mr. MORGAN. First of all, I would agree that the remedy now might not be adequate. But I do say if this standard or this index is held over the head of the employer, a shrewd bargaining agent could, in the course of collective bargaining and negotiation, quite often put the employer in the position of appearing not to be acting in good faith.

Like the Senator from New York, I practiced law in the courtroom for about 20 years, and I always sought as much as I could to leave the impression with the judge that I wanted to be cooperative, but it was the other side that was wanting to be cantankerous and difficult to get along with.

I suspect the bargaining sessions in collective bargaining are not a whole lot different, and we are dealing with pretty shrewd people on both sides. I feel sure of that.

I guess I am encroaching upon the time of the distinguished Senator from Wyoming, and I do thank him for yielding to me to make these remarks in the middle of his presentation.

(Conclusion of earlier remarks.)

Mr. WALLOP. Mr. President, I note the distinguished Senator from Oklahoma (Mr. BARTLETT) has entered the Chamber. I think he has considerable to add to the debate and discussion on this issue. So at this time I yield the floor to the Senator from Oklahoma (Mr. BARTLETT).

Mr. BARTLETT. I thank the distinguished Senator from Wyoming.

Mr. President, I am not sure I understand why we are here debating H.R. 8410, the so-called labor law reform bill. From all the evidence presented thus far, it seems that the law as it now is written works quite well. The law provides a good balance between the demands and genuine needs of labor and the demands and genuine needs of business. The statistics will bear me out.

Of the over 9,000 elections held by the Board annually, over 80 percent are held in a period between 12 and 44 days from the time the petition is filed. Approximately 19 percent of the remaining

cases, in which numerous issues were contested, the election was held in the median time of 75 days from the petition. More than 80 percent of all elections are held pursuant to agreement of the parties without a hearing or procedural delay.

Moreover, as to the 20,000 unfair labor practice cases pending adjudication, the misleading impression created by the authors of this legislation is that they are all hopelessly back-logged, waiting consideration by an overworked, five-member National Labor Relations Board and that all have resulted from employers' unfair labor practices. The fact of the matter is these cases representing charges filed against employers and unions alike have been filed in the NLRB's regional offices and are awaiting disposition at some stage in the administrative process. Of the cases filed last year, 97.5 percent were either dismissed, because they lacked merit or were settled administratively at the Board's regional offices.

These facts notwithstanding, the bill as it is presently written would call for elections to be held not more than 45 days, and in most cases not more than 25 days, after the petition is filed. And this is just the tip of the iceberg. There are a whole host of other provisions in H.R. 8410 that would in effect metamorphose the National Labor Relations Act from a remedial law into a punitive one designed primarily to intimidate the employer to the point of submission to any and all union demands.

For example, the bill as it is drafted requires the Board to seek immediate court-ordered reinstatement of employees believed to be illegally discharged during a union organizing prior to a Board decision on the merits of the case. It provides for automatic court enforcement of NLRB orders with no right of objection unless the aggrieved party files a petition for court review within 30 days after issuance of the Board order.

Where the NLRB has found an employee to have been illegally discharged during an organizing campaign, or prior to an initial contract, it can award to that employee backpay from the time of discharge at 1½ times the regularly hourly wage rate. Where an employer refuses to bargain in good faith, the NLRB is authorized to award to employees compensation based on the difference in wages and benefits actually received during the refusal to bargain, multiplied by the percentage increase in the wages and benefits determined by the Bureau of Labor Statistics for major collective bargaining agreement covering units of 5,000 or more employees. And finally, H.R. 8410 would authorize the Board to find a party in willful violation of a Board order, and, upon such finding, the Secretary of Labor would be required to bar such person from receiving Government contracts for 3 years.

This hardly seems to be in the best interests of the working individual. So, the question must be asked: Why is this bill being pushed so hard? The unions have admitted that its primary goal is to make it easier for them to organize non-union workers. But why should government tie the hands of the employers just for the sake of the unions? The National Labor Relations Board annual report issued in March provides some insights into this question.

For the third straight year, union organizers in 1977 lost more NLRB supervised representation elections than they won. The report reveals that unions won only 46 percent of all representation (certification and decertification) elections and lost 54 percent. These figures show a continuation of a steady decline in the number of union election victories from 1972 to 1977. In 1972, 54 percent of all representation elections were won by unions. By 1976, this had dropped to 48 percent, then to 47 percent in 1977.

The NLRB election data is actually a combination of two different types of union election results.

Certification elections are held at the request of union organizers—at the time when they feel they have enough support to win the privilege of representing a group of employees. Nonetheless, in 1977, unions lost 4,476 certification elections (52 percent) and won only 4,159 (48 percent).

Decertification elections are held at the request of employees attempting to oust a union which already represents them. Unions lost 645 (76 percent) decertification elections in 1977, and won only 204 (24 percent). While the percentage of decertification elections won by unions has not changed significantly in recent years, the number of decertification elections requested by employees has increased more than threefold in a decade.

The NLRB report also states that of the 570,716 employees eligible to vote in the 1977 elections, only 244,764 (43 percent) cast ballots for union representation. In addition, out of 504,241 votes actually cast, the majority 259,477 (51.5 percent), were against union representation.

The latest findings have a special significance when considered in connection with the so-called labor law reform bill that is now before us. It is obvious for all to see that big labor is desperate to stem the tide of independence among American workers. That is understandable. But instead of making unions more attractive and selling unionism on its own merits, union officials have turned anew to Congress, demanding that an increase in their already substantial powers to compel individuals to join or support a union as a condition of continued employment. What is particularly tragic about this decline in union membership is that if union officials had adhered to the principle of voluntarism—what Samuel Gompers, founder of the American labor movement, called the "cornerstone" of unionism—it might never have occurred.

In 1916 Gompers said:

> Workers of America adhere to voluntary institutions in preference to compulsory systems which are held to be not only impractical but a menace to their rights, welfare and their liberty.

Unfortunately, the proponents of this legislation, as well as George Meany and his fellow modern day union bosses, have chosen to ignore this wisdom, causing the labor movement to suffer decline in membership, and worse yet, causing millions of workers to suffer the outrages of compulsory unionism. As New York Times labor writer A. H. Raskin said:

> Most unions have got out of the habit of organizing in the years since World War II. To the extent that they have acquired new members, outside the Civil Service and health fields, it has been primarily through union shop contracts and other kinds of "push-button unionism" in which the employer delivers over workers . . .

According to a poll released by U.S. News & World Report in February, an overwelming majority of the American public is opposed to any action by the Federal Government which would make it easier for unions to organize. So again I must ask the question: Why are we here today? When asked if the Federal Government "should make it easier for unions to organize workers," 59 percent of the Nation's household heads said "no." Only 24 percent said "yes" and another 17 percent had no opinion.

The public's attitude toward compulsory unionism came through strongly when people were asked if "where a company has a union, it is all right if new workers were required to join a union to keep their job." In this case, 32 percent of those responding to the survey agreed, while 59 percent disagreed, and 10 percent had no opinion.

Similar results were reached in a nationwide opinion poll conducted by the Opinion Research Corp. of Princeton, N.J. Asked whether legislation should be passed making it easier for labor unions to organize nonunion employees, only 22 percent of the public favored such changes. Fully 25 percent of those polled supported legislation making it harder for unions to organize nonunion employees, and 40 percent of those responding believe there should be no change in the present law.

In view of these survey results, it seems totally unreasonable to me that the U.S. Congress should even consider passing still another piece of special privilege legislation to give union bosses even more power to force unionism on workers. Indeed, 52 percent of those surveyed by Opinion Research believe unions today have grown already too powerful. There is absolutely no mandate from the public to change our labor laws. As a matter of fact, the mandate is from the other direction. It comes from an overwhelming number of Americans who believe their rights should be strengthened in relation to union control over their affairs.

Seventy-three percent of the public and 83 percent of the union members favor the secret ballot as the only way to decide on union representation. Eighty-one percent of the public and 79 percent of the union members favor a law requiring worker approval by secret ballot before a strike can be called. And finally, 72 percent of the public favors a law that would allow a person to get

and keep a job without joining a union. Even so it seems that a small majority of Senators for the time being might have the votes to prevail in an up-and-down vote on this so-called Labor Reform Act.

Mr. President, as I understand it, the first purpose of H.R. 8410 is to expedite the processing and ultimate resolution of unfair labor practice cases by: First, increasing the size of the Board from five to seven members; second, requiring a summary of affirmance procedure for resolving uncomplicated cases by two Board members; and, third, requiring court review petitions to be filed by a grieved party within 30 days from the Board's order.

A good many people, however, have indicated that this bill will not appreciably decrease the time required to process unfair labor practice cases, and may, instead, expand that time.

The so-called summary affirmance and 30-day court petition basically codify current practices except that mandating the procedures by a statute may, in a case of summary affirmance, add another step to the Board's litigation process, and may, in the case of required 30-day petitions result in more court litigation thus creating increased delays in the resolution of cases. I think that this is bad policy, may increase litigation costs to some, and is totally at odds with the announced purposes of the bill.

Further, to increase the size of the Board but retain current case processing procedures simply means that seven rather than five members must review each decision, thus further delaying the ultimate resolution of unfair labor practices cases and, at the same time, raising the charge of "Board packing" by the President reminiscent of the Roosevelt Supreme Court packing proposal of the 1930's. I believe neither the increased delay nor politicizing the image of the Board to be good policy. In sum, this bill's attempt to tinker with Board procedures adds little and is more apt to delay rather than expedite the final resolution of unfair labor practice cases.

I understand that the second purpose of the bill is to expedite NLRB election cases so that employees may more quickly vote on the question of whether or not they wish to be represented by a union.

This is to be accomplished first by requiring the Board to issue regulations defining appropriate units so that there will be no need to litigate basic unit issues prior to an election. But after 42 years of experience under the NLRA, there is virtually no litigation now concerning the composition of basic election units, so this requirement does nothing and will merely create new litigation concerning the wisdom and application of the new regulations.

The second step toward Board elections is to set an outside limit of 75 days from election petition until election. However, as I stated before, under present Board practice, more than 80 percent of all NLRB elections held each year occur sooner than 45 days after a petition has been filed. As for the remaining 20 percent, the median election date is now 75 days after petition.

(Mr. NELSON assumed the chair.)

Mr. BARTLETT. Mr. President, elections held later normally involve serious issues, which, when resolved after an election (as contemplated by H.R. 8410), may well require costly and time-consuming new elections. Finally, to the extent that an election might be appropriate prior to a resolution of various representation case issues, the NLRB is fully capable of doing so under its new "vote and impound" rules promulgated on August 15, 1977 (29 CFR section 102.-67). Accordingly, H.R. 8410 accomplishes nothing of expedition but, instead, requires the Board to hold elections in cases where the ultimate judgment of the Board will almost inevitably require a time-consuming and costly second election.

The third step contemplated by this bill is to require that elections in cases other than exceptionally novel or complex issues be held within 45 days of petition unless certain circumstances require a 21-day election. But, again, over 80 percent of all NLRB elections are now held within 45 days of the time a petition is filed with the Board. So far, then, H.R. 8410 has done little more than confirm present practice.

The final step is to require that an election be held within 21 days of petition-filing by a union, but only when that union has convinced a majority of employees to support it, and only when that union is not seeking to raid another union. This provision does change present Board practice and will expedite elections—radically so—but only when it suits the institutional interests of organized labor to hold elections so quickly that employees will have no opportunity to be fully informed about the consequences of their vote. And, in addition, this proposal will allow, indeed encourage, unions to time their election petitions so as to gain unfair advantage at election time.

It is not unusual for a union to campaign among workers for days, weeks, or months convincing employees of the value of representation by it before an employer even knows that his employees are being organized. During that period, the employees hear only the union's position, only its side of the story. The Board's election processes are then commenced by the union's filing of a petition. If the union has convinced a majority of employees to sign cards supporting it, H.R. 8410 requires that an election be held so quickly that an employer has no time to advise his employees of possible adverse consequences of unionism. This is particularly true of small businessmen who often know little about labor law or where to go for advice and counsel. By the time the employer has himself learned the other side of the labor story, the election may have been long over and certainly the election will have often been held before employers can become informed.

Not only is this the effect of the bill before us, it is clearly its purpose. Thus, quickie elections are to be held only when it suits union interests to stand for election before the electorate can be fully informed. If the union has not amassed a majority of employees when it files the petitions, it is granted 45 campaign days to build a majority. If another union's interests are threatened by a raid, it is given 45 campaign days to retain its position. If an employer files a petition, no quick election is possible. If employees file a petition to decertify a union, the union is given 45 days to defend itself.

Further, under this bill unions will be able to time their petitions to insure unfair election victory by filing them before an employer has hired all of a new work force during lay-off or vacation periods, et cetera. This unfair strategy will be effective because the NLRB is to be denied the power to set a reasonable election date by the strict mandatory provisions of H.R. 8410.

In addition, to protect the union's majority from lawful employer campaigns, H.R. 8410, under the guise of insuring that employees receive full information before they vote, requires an employer who addresses his employees (which, given the timeframe, is the only feasible way an employer can inform his employees) to open his plant to speeches by professional union organizers who can use that forum to promise employees increased wages and benefits and even malign the employer. And yet the employer is not to be given access to the union hall, may make no promises whatsoever, must still allow the union's employee organizers to campaign in the plant during their breaks, not visit employees in their homes, but must provide the union with the names and addresses of all employees prior to the election.

Finally, H.R. 8410 substantially limits court review of labor board determinations in representation cases, and under the guise of providing a meaningful remedy for serious labor practices coerces employers from seeking court review under the threat of massive retroactive payments to the employees.

In short, the only meaningful attempt at expediting election cases contained in this bill turns out to be a rush to elections before employees are informed and a union's majority can be tested by a lawful employer campaign.

I do not believe it is necessary for me to apologize for vigorously and, indeed, emotionally objecting to this legislation, labeling it a pro-union, anti-employee proposal, particularly when one remembers that it is 98 percent directed at small business and 75 percent directed at very small business, inasmuch as 75 percent of all Board elections last year were held in units of less than 50 employees and 98 percent were held in units of less than 400 employees.

The third and final purpose of H.R. 8410 is to provide additional sanctions for violations of the Labor Act in order to deter unlawful conduct. Interestingly, although this is not supposed to be an organized labor bill, there is no meaningful attempt to deal with union violence, union fines of employees who seek to exercise their right to work, union strike injustices, or any union activity

at all. New sections seek to punish management, not for the primary purpose of deterring violations, but rather to insure and secure union election victories.

Of the four proposed remedies, three are to be applied only during the period from the commencement of union organizing until a first argeement is made between the union and the employer. H.R. 8410 thus provides that if any employee is discharged by an employer during that period and the NLRB ultimately finds that the discharge violated the Labor Act, the employee shall be reinstated and receive a backpay award of 1½ times his regular hourly wage for his period of discharge whether or not he worked elsewhere, whether or not he sought out other work, or whether or not he had any desire to return to work with his prior employer. And this remedy applies even though the employer may have believed that he lawfully discharged the employee. It is clear that H.R. 8410 intends this remedy only to assist unions in organizing and winning elections—for the remedy is not available to any employee discharged at any time other than during a union's organizing campaign. Clearly, nothing aids a union more than the claim that it causes an employer to rehire a discharged employee. Thus, by imposing the threat of punitive damages upon an employer, and in at least 75 percent of the cases upon a very small employer who cannot afford the costs of litigation plus the possibility of time-and-a-half backpay with interest at 7 percent in addition to the wages paid to the dischargee's replacement, H.R. 8410 imposes a threat sufficient to require many employers to rehire even lawfully discharged employees and thereby aid and perhaps insure a union election victory.

If, however, the small businessman chooses to defend himself despite the threat of punitive damages, H.R. 8410 gives further aid to union organizing efforts by requiring the Board to petition for a Federal court injunction requiring that the employer rehire the discharged employee. No finding that the employer violated the Labor Act is required, for all the Board and court need determine is whether there is reasonable cause to believe that the employee was wrongfully discharged. If the employer gives lawful reasons for the discharge, but the employee argues that his discharge was motivated by the employer antiunion bias, no determination is to be made of the actual reasons of discharge—that decision will come later after an administrative trial, but in the meantime, the employer will be required to rehire and employ the worker. Again, it is clear that the remedy proposed in H.R. 8410 is intended purely to insure union election victories, for such injunctions are not to be available to any employee discharged at any time other than during a union's organizing campaign.

The third prefirst contract remedy would require that an employer who refuses to bargain with a union retroactively pay his employees wages and fringe benefits from the time they would have received benefit increases had the employer bargained and reached agreement with the union, the amount of payment to be determined by nationwide survey of bargaining settlements in employee units of 5,000 or more employees. Again, this remedy applies only in first contract bargaining situations.

This remedy is, of course, punitive and seeks to threaten employers with massive retroactive payments in order to deter them from refusing to bargain a first agreement with a union.

In reality, however, the so-called remedy will operate to coerce employers to keep them from exercising their right to court review of Labor Board decisions in representation cases. Indeed, an employer's refusal to bargain a first contract with the union is not a serious Labor Act violation—rather it is his only means of obtaining court review. Thus, it has long been held that the Board's decisions in a representation case are not immediately appealable to the court of appeals. Therefore, in order for an employer to contest legally the Board's determination of unit or other representation issues, it must first refuse to bargain with the union. Thereafter, the general counsel issues a complaint alleging the refusal to bargain by the employer, the Board issues an order finding that the employer has refused to bargain and the case then goes to the court of appeals. At that time, the employer is free to argue that the Board's determination in the representation case was wrong. That is the only way in which such Board orders are court reviewable. To impose a penalty upon an employer merely because he seeks to pursue his only avenue for court review is, at best, unfair.

And the remedy as proposed is particularly unfair, for it requires payments by small businesses determined by bargaining agreements in big business units of 5,000 or more employees. Again, 75 percent of all Board elections last year were held in units of less than 50 employees, 98 percent were held in units of less than 400 employees, and in 1976 the Board reported no election in a unit of 3,000 or more employees.

Therefore, I have compelled to conclude that the so-called remedy provisions set forth in H.R. 8410 are intended to insure union election victories and thereafter secure them by threat or punishment to an employer who seeks legitimate court review. And my conclusion is confirmed by the final remedy proposed in H.R. 8410. The final remedy would require the debarment of an employer from Government contracts for an arbitrary period of 3 years if he willfully fails to comply with a prior court or Board unfair labor practice order, even though the employer may immediately thereafter comply, even though his violation may be technical in nature, and even though debarment may no doubt result in lost jobs for his employees. This remedy is proposed as the final deterrent against employers (and particularly small employers) pursuing their rights to contest union claims before the Board and courts, for failure to settle a case will set the stage for employer debarment and, in the case of many small businesses, total business failure.

To reiterate, I see no reason to apologize for my conclusion that H.R. 8410 is a prounion, antiemployee, antiemployer bill.

Mr. President, this piece of legislation is not only an affront to the American public's sense of fair play, but it is also an affront to Mr. Joe Workingman's pocketbook. This was the conclusion by Rinfret Associates in a study conducted by them on the economic impact of the proposed legislation. Evaluating the inflationary impact of increased unionization, Dr. Rinfret stated that statistical and mathematical evidence indicates that an increase in the degree of unionization leads to an increase in the degree of inflation.

Dr. Rinfret observed:

On the basis of historical relationships between the degree of unionization, employee compensation and consumer prices that existed in 1976, our study finds that for each 10 percent increase in union membership, the consumer price index would increase by at least 5 index points. This means a 3 percent increase in the rate of inflation. A 3 percent increase in the rate of inflation would mean that the base rate of inflation, which now appears to be about 7 percent would rise to 10 percent. The base rate of 10 percent is clearly in conflict with and in violation of Administration and Congressional objectives.

Noting the potential impact of the proposed legislation on the small businessmen, Dr. Rinfret pointed out that—

Few people appreciate or understand the importance of small business in the U.S. economy. Businesses with 250 or less employees account for 66% of total employment. Large businesses employing 1,000 or more people account for only 16% of employment.

In general, union representation is won in a higher percentage of cases where there are fewer employees. Representation elections are most frequently won in units where there are 99 or less employees. Thus, small units and small businesses will be affected most by changes in union election procedures that are proposed in H.R. 8410.

To the extent that the proposed revisions expand unionization in small business and to the extent that resulting wage increases match those negotiated in large businesses, there would be a rise in production costs not only for the small units but for the U.S. economy as a whole and a further acceleration of inflation.

According to Dr. Rinfret the "make-whole" provision of the proposed legislation would have particularly adverse impact on small business. Under this provision, the employer who has allegedly delayed union recognition would be required to compensate, or "make whole" employees for wages supposedly lost during this period. Compensation in such cases would be based on wage and benefit scales negotiated for establishments with 5,000 or more employees. But, establishments of this size are the most highly unionized and paid the highest wages. Imposition of these maximum wage scales on small businesses is inappropriate and an unfair cost burden. Small

businesses tend to operate on a relatively smaller profit margin. This added economic disadvantage will make it increasingly difficult for small businesses to compete and to survive.

The Rinfret study further found that employer wage and salary costs would tend to rise materially as a result of expanded unionization. Said Dr. Rinfret:

> For U.S. industry as a whole, which is currently 24% unionized, our study indicates that wage costs would increase by 17% when a non-union establishment becomes unionized.

And he concluded that the increase would be almost twice as large in nonmanufacturing industry which is presently only 16 percent unionized. This includes the service industries, wholesale and retail trade, finance, insurance, and real estate establishments, which are, for the most part, small businesses. Wage costs in nonmanufacturing would rise by 31 percent following the unionization. In manufacturing industry, which is already 44.6 percent unionized, wage costs would increase by at least 10 percent, he noted.

Moreover, we cannot even be certain that these wage increases would be offset by equivalent gains in productivity. Rather, the converse seems to be true. Inflation has tended to accelerate as productivity increases have tended to decelerate. Between 1972 and 1977, for example, consumer prices, hourly earnings, and unit labor costs each increased at average annual rates exceeding 7 percent while productivity increased by only 1.2 percent.

At this point I would like to note for the record that Dr. Rinfret is known for the independence of his political and economic views as well as a broad scope of his evaluations. He has provided economic counsel to both Democratic and Republican administrations, including Presidents Kennedy, Johnson, and Nixon. His analyses have also been used by other members of the executive and legislative branches of the Government.

Mr. President, as the elected Representative of the people of my State of Oklahoma, I consider myself duty-bound to question the impact that passage of this legislation would have on my constitutents. After a review of the evidence it is my feeling that the citizens of Oklahoma have everything to lose and nothing to gain by the adoption of this so-called Labor Law Reform Act. Whether viewed in terms of increases in labor costs per unit of output or increases in consumer prices, or loss of employment opportunities or even loss of income, the net effect of this legislation is a minus for my State. Assuming a 12-percentage point increase in workers unionized as a result of this Federal labor law reform by 1985, a family of four would stand to lose $1,665 in purchasing power. This translates into a net loss of income for that same family of four of $214. The net loss of employment to my State could reach as high as 11,000 jobs. Even assuming only 6-percentage point increase in workers unionized, Oklahoma would still lose roughly 5,000 jobs, a family of four's purchasing power would diminish $833, and the net loss of income for a family of four would be $94.

I emphasize the point that these results are in no way limited to my own State. Each and every one of the 50 States stands to lose substantially if this legislation is adopted. It would seem ill-advised then, for us in the Senate to be debating a bill whose potential for economic harm is so significant. But then again, abiding by the wishes of those who have elected us to the Senate has not been the overriding concern on a great many issues.

Mr. President, I understand that the distinguished Senator from New Jersey (Mr. WILLIAMS) wishes to speak. Is that correct?

Mr. WILLIAMS. Yes.

Mr. BARTLETT. Mr. President, I ask unanimous consent that I have the right to continue my remarks later today and have it only count as my first address before the Senate on this particular bill.

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

Mr. BARTLETT. On that occasion, Mr. President, I yield to the distinguished Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I seek recognition in my own right.

The PRESIDING OFFICER. The Senator from New Jersey (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. President, one of the important features of the labor law reform bill is to provide remedies which will deter law violators. A law with no effect is a paper tiger. Statutory rights without effective remedies are illusory, at best.

Mr. President, each day I have introduced into this debate the description of a specific case that highlights one of the aspects of the inadequacy of present law in meeting situations that are unfair and illegal in labor-management relations, when there is a desire on the part of workers to have an opportunity to choose or reject a union and if there is a union to be bargained with.

So this is chapter 7 in this series of individual cases that highlight, in particular, some of the problems working people face through the inadequacies of present law in two areas, elections and bargaining.

Mr. President, late in 1974, two individuals, Alpe and Roberts, contacted an official of the International Brotherhood of Electrical Workers to seek aid in organizing their fellow employees. They invited their five fellow workers to an organizational meeting, and by the 9th of December 1974, they had signed up six of the seven employees of the Franklin Parish Broadcasting Co. in Louisiana—the radio station where they were employed.

The union filed a petition for an election on December 9, 1974. When the employer received the petition, he called the workers together and accused them of going behind his back, and spoke individually with many of them.

The regional office held a hearing on the petition in January of 1975. At the hearing, the Company contended that Alpe was a supervisor. The hearing officer issued his decision in January, 1975, finding that Alpe was not a supervisor, and an election was ordered for February 14, 1975. The employer appealed to the National Labor Relations Board in Washington. On February 14, 1975, he asked Alpe to sign a document indicating that he (Alpe) was a supervisor. When Alpe refused to sign the document, the employer fired him.

On March 5, 1975, the union filed an unfair labor practice charge. On March 31, 1975, the regional director issued a complaint, alleging that the discharge of Alpe was unlawful and that the company had restrained and coerced its employees in violation of section 8(a)(1).

After a trial in June 1975, the administrative law judge issued his decision, on September 19, 1975, finding that the company had unlawfully discharged Alpe and that the company had coerced its employees in the selection of their bargaining representative. The administrative law judge's decision was affirmed by the Board on February 27, 1976. The Board ordered the company to reinstate Alpe with back pay, to cease and desist in the unlawful practices, and to bargain with the union in good faith.

In the meantime, the employer had fired Davis Roberts, who had helped Alpe organize the employees, and who had testified for Alpe at the hearing in the unfair labor practice case. Roberts' discharge was the basis of another unfair Labor practice charge. After a hearing on that charge, the administrative law judge found that Roberts had been illegally discharged due to union activities, and because he had testified against the employer in the earlier Board unfair labor practice trial.

On May 11, 1977, the Board ordered Roberts reinstated with backpay. By that time, nearly 2½ years after Alpe and Roberts had organized their fellow employees, and nearly a year and a quarter after the Board had ordered the company to bargain with the union selected by six out of its seven workers, not only had bargaining not begun, but both Alpe and Roberts had been illegally discharged by the company.

Mr. President, 3½ years have now elapsed and the Franklin Parish Broadcasting Co. has not yet bargained with the union. Alpe and Roberts have still not been reinstated. The six employees who originally supported the union have all left the company.

As a result of this lawless conduct, the employer got just what he wanted—the union has been completely crushed, and the employees who supported the union are all gone.

In place of the bargaining rights promised by the act, the employees have received only useless Board orders.

Mr. President, under H.R. 8410, these workers would have been temporarily reinstated, and the atmosphere of coercion in the radio station would have been considerably lessened. The employer's refusal to bargain, despite the overwhelming desire of his workers, would have subjected him to a meaningful make-whole remedy for as long as that refusal persisted.

Mr. President, it is cases like that of Davis Roberts and Charles Alpe that labor law reform is all about.

Mr. President, at this point, I want to discuss some editorials that have appeared that are enlightening in these days of less than complete enlightenment on what this bill is all about, what its impact is, what our communities can expect if this bill becomes law.

On May 17, 1978, the Charleston, W. Va., Gazette published its editorial entitled "Labor Law Reform Overdue and Modest."

The Gazette's starting point was that "men and institutions opposed to labor unions rarely are persuaded to accept them."

The editorial noted the basic reforms this bill would provide: Speedy elections, an atmosphere not conducive to reprisal, and elimination of some of the incentives for employers to skirt the law.

The Charleston Gazette said:

These guarantees are at the core of the proposed legislation, and while we might quibble with the language of some of the lesser provisions we cannot conscientiously object to the measure as a whole. The proposed reforms strikes us as overdue, but modest, nothing for the NAM or Orrin Hatch to get excited about.

It has been said that the proposed reforms will force workers to join unions. We find, instead, that they do no more in this area than bar employers from interfering in the free choice legally available to workers today.

It has been said that the proposed reforms will force employers to accept unions. We find no evidence to support this. Our reading of the proposed reforms suggests that they will have only the slightest impact, if any, on law-abiding employers.

The editorial in the Charleston Gazette concluded:

We don't understand how such reforms could offend any reasonable American, and we cannot accept opposition couched in the frightened anti-union generalizations of 1903.

Mr. President, that is no typographical error, "1903." That has reference to another part of the editorial, where they look at some of the attitudes expressed against unions back in 1903 and they find that some of the rhetoric of 1903 that was opposed to unions is the same kind of rhetoric we are hearing these days on the floor of the Senate against unions.

The other editorial I want to bring to the attention of the Members of the Senate is in the Louisville, Ky., Courier Journal. In an editorial of May 19, 1978, entitled "Labor Reform Doesn't Rate All This fuss—and Alarm," it also expressed support of this bill.

The Courier Journal discussed the contention that the bill would make it easier for unions to organize workers:

The reason union organizing would be easier is because the reforms would make it harder for employees to stall, to harass and fire organizers, to delay representation elections and generally to thwart a true test of their workers' wishes. The reforms would not—cannot—make unionization more appealing to workers who distrust organized labor and who believe they are better off without a union.

The editorial also discounts the suggestion that this bill is inflationary. The Courier Journal said the bill is not likely—

. . . to have the adverse effect on inflation that business leaders warn about. The same fear of unionization that fuels the anti-reform movement also forces most non-unionized firms to pay wages comparable to those paid by businesses whose workers are organized.

Finally, commenting on our extended debate here, the Courier Journal concluded:

Whether we're headed in the direction of more fairness for working men and women who want to decide for themselves about unionization remains to be seen.

As we said before, we'll bet on a favorable vote. It's just too bad that so much of the Senate's time will be wasted by reform opponents . . . in filibustering a bill that should have been on the books years ago.

Mr. President, I ask unanimous cossent that these editorials, in their full text, be printed in the RECORD at this point.

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

LABOR LAW REFORM OVERDUE AND MODEST

"In 75 years of history, some things change little," begins a special report from the AFL–CIO on labor law reform. Thereupon the report quotes from a National Association of Manufacturers statement on labor unions. The statement, made in 1903, raised the alarms one might expect from the NAM. Opposite it, the AFL–CIO reproduces a 1978 statement by Sen. Orrin Hatch, R-Utah, notoriously terrified by union workers. The statements are pretty much the same.

The point is that men and institutions opposed to labor unions rarely are persuaded to accept them, even by ample proofs that organized labor isn't a fearsome destroyer of life and liberty. The familiar anti-union forces today oppose passage of labor law reform legislation that would strengthen the 43-year-old Wagner Act to guarantee:

Speedy labor board elections; removal of present justifications for deliberate delays.

Labor elections conducted in an atmosphere not conducive to reprisal.

Elimination of some of the incentives for employers to skirt federal law regarding the recognition of unions.

These guarantees are at the core of the proposed legislation, and while we might quibble with the language of some of the lesser provisions we cannot conscientiously object to the measure as a whole. The proposed reforms strike us as overdue, but modest, nothing for the NAM or Orrin Hatch to get exercised about.

It has been said that the proposed reforms will force workers to join unions. We find, instead, that they do no more in this area than bar employers from interfering in the free choice legally available to workers today.

It has been said that the proposed reforms will force employers to accept unions. We find no evidence to support this. Our reading of the proposed reforms suggests that they will have only the slightest impact, if any, on law-abiding employers.

Basically, the measure deals with delays, harassment and intimidation as techniques for discouraging lawful union activity and provides penalties for refusal to recognize a union or to bargain with it in good faith. We don't understand how such reforms could offend any reasonable American, and we cannot accept opposition couched in the frightened anti-union generalizations of 1903.

The Gazette supports the labor law reform measure and recommends it to the West Virginia delegation in Congress.

LABOR REFORM DOESN'T RATE ALL THIS FUSS—AND ALARM

The great battle over labor law reform has been joined. Hundreds of thousands, perhaps millions of words will be spoken, filling page after unenlightening page of the *Congressional Record*. Predictions, statistics, emotional appeals and just plain insults will be exchanged.

And when the smoke clears, we'll wager, the U.S. Senate will end the anti-reform filibuster and approve a bill that is fair and sensible, and everyone will wonder what all the fuss was about.

Not that the stakes in all the current fuss and filibuster are trivial. Reform of the nation's basic labor law, already approved by the House, is organized labor's top-priority legislative goal, and its defeat rates just as high among many business groups. A lot of prestige and political clout is involved. But the reforms that are the cause of the commotion are so obviously fair and innocuous that historians a decade or so hence surely will be amazed that they generated such intense opposition and alarm.

REFORMS AIMED AT ABUSES

Opponents claim that the measures that organized labor and the Carter administration are pushing would make it easier for unions to organize workers at non-union factories, offices and construction sites. Their claim is doubtless correct.

But so what? The reason union organizing would be easier is because the reforms would make it harder for employers to stall, to harass and fire organizers, to delay representation elections, and generally to thwart a true test of their workers' wishes. The reforms would not—cannot—make unionization more appealing to workers who distrust organized labor and who believe they are better off without a union.

EFFECT ON WAGES MINIMAL

That distrust has been increasing in this country. The portion of the work force that is unionized has slipped from around 40 percent three decades ago to 24 percent today. Some of the decline may be due, as some labor leaders charge, to unpunished abuses by anti-union employers. But it is also due to the shift of industry and jobs to the traditionally anti-union South. What's more, national opinion polls suggest that Big Labor, like so many other American institutions, has slipped badly in the public esteem.

The reform bill pending in the Senate won't change this sentiment. Nor is it likely to have the adverse effect on inflation that business leaders warn about. The same fear of unionization that fuels the anti-reform movement also forces most non-unionized firms to pay wages comparable to those paid by businesses whose workers are organized. The upward pressure on wages will continue regardless whether the reform bill becomes law.

Besides, if the fear of worse inflation were a valid excuse for defeating the reform bill, it would be just as valid a reason for Congress to try to outlaw unions and strikes altogether. A few crusty reactionaries might applaud such an attempt, but this country obviously isn't headed in that direction.

Whether we're headed in the direction of more fairness for working men and women who want to decide for themselves about unionization remains to be seen. As we said before, we'll bet on a favorable vote. It's just too bad that so much of the Senate's time will be wasted by reform opponents, including Indiana's Senator Lugar, in filibustering a bill that should have been on the books years ago.

Mr. WILLIAMS. Mr. President, there is an old adage, a proverb, that if we give someone enough rope, he will hang himself.

Sometimes people have enough money and it can be hazardous to their well-being. They can get themselves into trouble with too much money.

I am going to cite an example that might be a case in point. As I look at page A–19 of yesterday's Washington Post, where there is what I gather from inquiry to be somewhere between a $10,000 and $15,000 full-page ad that was placed there by the Marathon Manufacturing Co.

Mr. President, I ask unanimous consent that the text of the editorial, without the $7,000 pictorial rendering, that is included, be printed in the RECORD at this point.

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

HELP GUARANTEE DOUBLE-DIGIT INFLATION

I am convinced that Senate Bill S. 2467 could do just that. In one fell swoop. Read the small print in section (3)(A):

"(3)(A) In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective-bargaining contract between the employer and the representatives selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may enter an order pursuant to Paragraph (1) of this subsection which includes an award to the employees in that unit of compensation for the delay in bargaining caused by the unfair labor practice in the amount equal to the difference per hour during the period of delay between (i) the wages and other benefits such employees were receiving at the time of the unfair labor practice increased by a percentage equal to the change in wages and other benefits stated in the Bureau of Labor Statistics' average wage and benefits settlements, quarterly report of major-bargaining settlements, for the quarter in which the delay began and (ii) the wages and other benefits actually received by such employees during that period. If the Secretary of Labor certifies to the Board that the Bureau has, subsequent to the effective date of the Labor Law Reform Act of 1978, instituted regular issuance of a statistical compilation of bargaining settlements which the Secretary determines would better effectuate the purposes of this subsection than the compilation specified herein, the Board shall, in administering this subsection, use the compilation certified by the Secretary."

Now, read between the lines.

How do you like the implications of double-digit inflation? Or the provisions which penalize employers found guilty of an "unlawful" refusal to bargain on a first contract? Or tampering with the basic American rights of an employer or employee to join or refrain from joining a union?

In my judgment, the major economic burden of this bill would be borne by small business. These are the businesses that tend to have a low degree of unionization. And they make up a dramatic 66 percent of our total work force in this country.

Do you want to spread the Coal Strike settlement of 31.4 percent across the country? And what comes after that? Aluminum, chemicals, tires, refining, brewers—are we going to ask every small businessman to face the increases given in our biggest industries and passed on to the consumer? Let's have more of it! Let's make sure we have *Double-Digit* Inflation. Let's all join on the road to a British economy.

Are we going to approve legislation which forces the NLRB to become the de facto arbitrator of contract terms under the guise of remedying unfair refusals to bargain? I suggest that this line of reasoning endangers the basic concept of collective bargainning.

The country cannot tolerate this abuse.

We need your help to defeat Senate Bill S. 2467. Please call me at (713) 659–7444. Or write me at Marathon Manufacturing Company, P.O. Box 61589, Houston, Texas 77208.

GENE M. WOODFIN,
Chairman of the Board and Chief Executive Officer.

Mr. WILLIAMS. Mr. President, the Marathon Manufacturing Co. of Houston, Tex., ran a full-page ad in the Washington Post, as I indicated, on Wednesday, May 24, 1978, attacking the labor law reform bill, on the ground that the make-whole remedy would place a "major economic burden" on small businesses and would cause double-digit inflation in our economy. As I have repeatedly stated, and as several of us here have said, the potential effect of this bill on small businesses in greatly exagerated. We have also addressed the issue of the inflationary impact of this bill; and, I submit, it is manifest that this legislation is not inflationary. These issues have been the subject of substantial debate, and I am sure that we will continue to discuss them as this legislation progresses here in the days ahead.

However, in light of the extreme views on these issues which have been expressed on behalf of the Marathon Manufacturing Co., by its chief executive officer, I think it is appropriate to amplify the record concerning the status of that company.

Again, to emphasize its thrust, it purports in this ad to be the protector of small business.

The most glaring fact which needs to be brought out is that this Marathon Manufacturing Co. is not, by any stretch of the imagination, a small business. The directory of corporate affiliations for 1978, which is published by the National Register Publishing Co., reveals that Marathon Manufacturing Co. is actually a conglomerate with combined sales of nearly $300 million per year—approximately $294 million. This corporate giant is not only engaged in metal manufacturing but, through its wholly owned subsidiaries and divisions, is engaged in such diverse enterprises as mineral oil refining, concrete and asphalt paving, manufacturing artificial Christmas trees and venetian blinds, residential real estate development, and the manufacture of paint, hardware, and furniture.

Mr. President, I ask unanimous consent that the Directory of Corporate Affiliations, which lists under Marathon Manufacturing, the activities that this company, the protector of small business, is engaged in, be printed in the RECORD at this point.

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

DIRECTORY OF CORPORATE AFFILIATIONS: 1978
WHO OWNS WHOM

*Marathon Mfg. Company, 600 Jefferson, Houston, TX 77002. Mailing Address: P.O. Box 61599. Houston, TX 77061. Tel.: 713–244–7444. MTM–(NYSE) Approx. Sls.: $294,000,000. DE

Metal Mfg.

Gene M. Woodfin (Chm. Bd. & Chief Exec. Officer).

Charles P. Siess, Jr. (Pres. & Chief Opr. Officer). Robert M. Baumgartner (V.P. & Treas.). Ray R Seegmiller (Chief Fin. Officer). James F. O'Haren (Sec. & Legal Officer).

Vinson & Elkins (Legal), 600 Jefferson, Houston, TX 77002, 713–659–7444.

Divisions:

Marathon Battery Co., 8301 Imperial Dr., Waco, TX 76710. Tel.: 817–776–0650. Mfr. Nickel Cadmium Rechargeable Batteries. Richard W. Cowan (Chief Opr. Officer). (100%).

Marathon Carey-McFall Co., Loyalsock Ave., Montoursville, PA 17754. Tel.: 717–368–8666. Mfr. Artificial Christmas Trees & Venetian Blinds. E. O. Ross (Chief Opr. Officer). (100%).

Marathon Carey-McFall Co., P.O. Box 8800, Estes Pky., Longview, TX 75601. Hap Childress (Plant Mgr.)

Marathon Marine Engineering Co. Same as Parent Co. Tel.: 713–659–8265. Marine Engrng. Robert E. Bradbury, Jr. (Chief Opr. Officer).

Subsidiaries:

Handy Venetian Blind Corp., 18–20 Steinway St., New York, NY 11105. Tel.: 212–721–5300. Mfr. Venetian Blinds. Marvin J. Linnemann (Chief Opr. Officer). (NY) (100%).

Kelven, Inc., 245 S. Jamie Blvd., Avondale, LA 70501. Tel.: 504–776–1400. Residential Real Estate Devel. William F. Kelly (Chief Opr. Officer. (LA) (100%).

Marathon Battery Co., Kemble Ave., Cold Spring, NY 10516. Tel.: 914–265–9282. Mfr. Nickel Cadmium Batteries. Richard W. Cowan (Chief Opr. Officer). (DE) (100%).

Division:

Marathon Battery Co.: Rte. 1, Roe Pk., NY 10566, Tel.: 914–737–5081, Mfr. Nickel Cadmium Batteries, Richard W. Cowan (Chief Opr. Officer). (100%)

Marathon International Co.: 600 Jefferson, Houston, TX 77002, Tel.: 713–659–7698, Domestic Intl. Sls. Corp., Thomas C. Mankin (Chief Opr. Officer). (DE) (100%)

Marathon Leasing Co.: Same as Parent Co., Leasing, Robert M. Baumgartner (Chief Opr. Officer). (DE) (100%)

Marathon LeTourneau Co.: Same as Parent Co. Offshore Drilling Platforms, Heavy Wheeled Equip. (DE) (100%)

Divisions:

Gulf Marine Div.: Farm Rd. 792, Brownsville, TX 78520, Tel.: 512–831–4561, Offshore Drilling Platforms, John B. Allison (Chief Opr. Officer).

Longview Div.: 7400 S. MacArthur, Longview, TX 75601, Tel.: 214–753–4411, Heavy Wheeled Equip., Cranes, Paul E. Glaske (Chief Opr. Officer). (100%)

Marine Div.: Hwy. 61, Vicksburg, MS 39180, Tel.: 601–636–4132, Offshore Drilling Platforms, Clyde H. Wilson (Chief Opr. Officer). (100%)

Marathon Le Tourneau Leasing Co.: Same as Parent Co., Leasing, Robert M. Baumgartner (Chief Opr. Officer). (TX) (100%)

Marathon LeTourneau Offshore Co.: 600 Jefferson, Houston, TX 77002, Tel.: 713–659–8265, Mktg. Offshore Drilling Platforms, Kenneth V. Farmer (Chief Opr. Officer). (TX) (100%)

Marathon LeTourneau Sales & Service Co.: P.O. Box 11254, Piedmont Station, Portland, OR 97211, Tel.: 503–281–1276, Sales & Service of Heavy Wheeled Equip., Dale Cedergreen (Chief Opr. Officer). (OR) (100%)

Marathon Marine Ventures, Inc.: Same as Parent Co., Construction of Mini-Semi Offshore Drilling Platforms, David C. Crawford (Chief Opr. Officer) (TX) (100%)

Marathon Metallic Building Co.: 4601 Holmes Rd., Houston, TX 77021, Tel.: 713–734–1611, Pre-Engineered Steel Bldgs., Davis Allen (Chief Opr. Officer). (TX) (100%)

Divisions:

Marathon Metallic Building Co.: E. US

Hwy. 24, El Paso, IL 61738, Tel.: 309–527–5420, Pre-Engineered Steel Bldgs., Fred Cartwright (Chief Opr. Officer). (100%)

Marathon Metallic Building Co.: Ft. Collins, CO 80521, Tel.: 303–221–4540. (100%)

Marathon Morco Co.: 4401 Park Ave., Dickinson, TX 77539, Tel.: 713–337–1534, Mineral Oil Refining, William E. Harris (Chief Opr. Officer). (TX) (100%)

Marathon Paving & Utility Constructors, Inc.: 922 Holmes Rd., Houston, TX 77045, Tel.: 713–666–2131, Concrete & Asphalt Paving, Utility Easements & Plants, Guy L. Moss (Chief Opr. Officer). (TX) (100%)

Marathon Shipbuilding Co.: P.O. Box 870, Vicksburg, MS 39180, Tel.: 601–636–9161, Tugboat & Barge Construction, O. Jack Tohill (Chief Opr. Officer). (DE) (100%)

Marathon Steel Co.: 1841 W. Buchanan St., Phoenix, AZ 85005, Tel.: 605–252–5971, Steel Fabrication & Mfg. of Reinforcing Rods, Daniel L. Greengard (Chief Opr. Officer). (AZ) (100%)

Divisions:

Marathon Steel Co.: 12200 Bloomfield Ave., Santa Fe Springs, CA 90670. Tel.: 213–863–4771, Steel Fabrication, H. Cliff Lansdown (Chief Opr. Officer) (100%).

Marathon Steel Co.: 830 S. 700 W., Salt Lake City, UT 84104, Tel.: 801–328–2018, Steel Fabrication, Dwayne L. Vawdrey (Chief Opr. Officer) (100%).

Southmost Supply Co.: Farm Market Rd. 1792, Brownsville, TX 78520, Tel.: 512–831–4561, Paint, Hardware, Furniture, John B. Allison (Chief Opr. Officer) (TX) (100%).

Marathon Oil Company: 539 S. Main St., Findlay, OH 45840, Tel.: 419–422–2121. OH. MRO—(NYSE Bo Cl MW Ph PS).

Oil Co.: H. D. Hoopman (Pres.), C. K. Morgan (Treas.), G. R. Jetton, Jr (Sec.), and K. B. Hampton (Legal).

Subsidiaries:

Frontier Resources, Inc.: Metropolitan Bldg., Denver, CO 80202, Tel.: 303–892–1036.

Frontier Spar Corp., Salem, KY 42078, Tel.: 502–988–2970.

Marathon Finance Co., Same as Parent Co.

Marathon International Finance Co., Same as Parent Co.

Marathon International Oil Co., Same as Parent Co.

Marathon Petroleum Australia, Ltd., Same as Parent Co.

Marathon Petroleum Egypt, Ltd., Same as Parent Co.

Marathon Petroleum Indonesia, Ltd., Same as Parent Co.

Marathon Petroleum Netherlands Antilles, N.V., Same as Parent Co.

Marathon Pipe Line Co., Same as Parent Co.

Marathon Trading & Shipping Co., Same as Parent Co.

Pan Ocean Oil Corp., Same as Parent Co.

Pan Ocean Oil Corp. (Abu Dhabi), Same as Parent Co.

Affiliates:

Clam Petroleum Co., Same as Parent Co. (33.3%).

Platte Pipe Line Co., Same as Parent Co. (25%).

Foreign Subsidaries:

Deutsche Marathon Petroleum GmbH, Munich, W. Germany.

Marathon International Petrolum (G.B.) Ltd., London, England.

Marathon Petroleum Canada, Ltd., Calgary, AB, Canada.

Marathon Petroleum Co. (Ireland) Ltd., Dublin, Ireland.

Marathon Petroleum Ireland, Ltd., Dublin Ireland.

Marathon Petroleum Libya, Ltd., Tripoli, N. Africa.

Marathon Petroleum North Sea (G.B.) Ltd., London, England.

Marathon Petroleum Pakistan, Ltd., Karachi, Pakistan.

Marathon Petroleum Tunsia, Ltd., Tunis, Tunisia.

Pan Ocean Oil Corp., (Nigeria), Victoria Island, Lagos, Nigeria.

Pan Ocean Oil Ltd., Calgary, AB, Canada.

Pan Ocean Oil Norge A/S, Norway.

Pan Ocean Oil (U.K.) Ltd., London, England.

Foreign Affiliates:

Compania Iberica Refinadora de Petroleos S.A., Madrid, Spain (27.7%).

Erodol-Raffinerie Mannheim, GmbH, Mannheim, W. Germany (40%).

Oasis Ooil Co. of Libya, Inc., Tripoli, N. Africa 3.33%).

Mr. WILLIAMS. Mr. President, a corporate giant of this magnitude, and with these diversified industrial interests, strikes me as a most improbable representative of and spokesman for America's small businesses.

However, it would appear that this company is a good example of how large, antiunion corporations conduct their labor relations policies. In a recent case, the Gulf marine division of one of this company's wholly owned subsidiaries, the Marathon Letourneau Co., not only committed numerous unfair labor practices during the course of a union organizing campaign, but also engaged in other types of conduct which destroyed the opportunity of the company's employees to make a free, uncoerced decision with regard to unionization.

As the Board found in *Marathon Letourneau Co.*, 208 N.L.R.B. 213 (1974), the company trained and organized its supervisors to threaten and coerce its employees in what proved to be a successful effort to get them to vote against the union. Foremost among these were what the Board found to be "thinly veiled threats of plant closure if the union won the election" (208 N.L.R.B. at 213). The Board stated that—

> We can perceive no factual basis for (the company's) prediction of possible plant closure (id.).

The Board's opinion reveals that this was a very sophisticated campaign in which the company president made six different speeches to assembled groups of employees; and supervisors engaged in a systematic campaign of assembling small groups of employees in company offices to make antiunion statements. Although there was nothing improper about assembling the employees for these speeches and statements, the Board found that the company's president and supervisors repeatedly made illegal and coercive statements during the course of these presentations, and in the course of other discussions with employees.

Another company tactic which the Board found to require setting aside the election was the raffling of a color television set on the day of the election. Only employees who voted in the election were eligible to participate in the raffle. Furthermore, during a 6½-hour break in the voting, the employer kept a list of those who had voted, which revealed those who had not voted as well. Board Chairman Miller, who sat as a member of the panel which reviewed the case, concluded that the holding of this raffle alone should require that the election be set aside.

Despite the strength and clarity of the Board's decision, the company refused to comply with it voluntarily, and the Board was forced to obtain an enforcement order from the U.S. Court of Appeals for the Fifth Circuit.

The validity of the court's judgment that the employer's illegal conduct interfered with the election is made even more clear by the fact that the Steelworkers Union won the rerun election which was held at a later date.

However, the story of this employer's treatment of its employees has not ended. The first contract negotiated between the Steelworkers and this company expired in July 1977. A 1-month strike ensued, and a new contract covering the employees in this bargaining unit has still not been negotiated.

Moreover, it is my understanding that there are three unfair labor practice charges presently pending as a result of these circumstances. One union activist has allegedly been discharged, and several others have been refused reinstatement. Three other charges are pending against another division of the Marathon Letourneau Co., the Longview Division.

A Board complaint has issued in one of those three cases alleging illegal threats and coercion and eight unlawful discharges (16 CA 7723, filed 1/31/78),

I would also like to point out that another wholly owned subsidiary of Marathon Manufacturing has engaged in unfair labor practices and conduct which interfered with their employees' right to a free election, which is quite similar to the conduct of the Marathon Letourneau Co. in the Gulf Marine Division case. In a case involving the Marathon Metallic Building Co., the Board found that the plant manager made a speech in which "the message intended and conveyed was that, by the union's conduct in filing a petition for an election, the employees were being deprived of benefits they might otherwise have received and that these benefits would be restored immediately if the union lost the election but would not be restored for an indefinite period of time if the union won the election" (Marathon Metallic Building Co., 224 N.L.R.B. 121, at 123 (1976)).

The Board also found that the company vice president violated the act by statements made in his speech to assembled employees.

It seems likely to me that the antiunion conduct engaged in by this company's wholly owned subsidiaries does far more to explain the motivation underlying the full-page ad which they ran in the Washington Post than does any concern which they might have about the welfare of small businesses.

I do not want to speculate too far along these lines. Certainly I would not prejudge any of the unfair labor practices which are presently pending against that employer. And I have no knowledge concerning the control which the parent company does or does not exercise over its subsidiaries' labor policies.

However, in light of the company's apparently extreme concern about the make-whole remedy in this bill, I cannot help but wonder whether they are concerned that their own conduct, or that of their subsidiaries, might lead to a make-whole remedy being invoked.

There is a longstanding equitable principle of law, that if you come into a court of equity and you do not have clean hands, you must get out of court.

If there is any case I can imagine of a company that does not have clean hands to talk about this bill, it is the Marathon Co., which extravagantly took this whole page in the Washington Post to plead the case for the small businesses of America—a record of arrogant disregard of the simple principles in the law, that if people want to make a decision on whether to have a union, they have that right; and if they do decide to have a union, they have the right to be bargained with.

That is all we are talking about here. We want to make sure that nobody denies either of those rights and makes a profit in the process.

So Marathon perhaps might be guilty now of true inflationary impact. They might have another ad tomorrow or the next day.

But let the record be very clear: This company has a record of knowledge of what this law is all about, and they have a record of denying the provisions of the present law by skirting, avoiding, delaying, getting charged, and delaying some more—a record of unclean hands. It is an equitable principle that I think applies here; and we can discount their expensive plea advancing what they describe as their concern for the small businesses of this country. That, as they say, will be the end of that.

The senior Senator from the Commonwealth of Pennsylvania has indicated that there is an interest among his constituents who have visited him—I am sure it is the same as to those who visit me—who have read in the newspapers that there is a filibuster underway here; and the question arises as to where the word "filibuster" came from. I believe the record should include the origin of the word "filibuster," as found in the Oxford English Dictionary.

It used to be that Members of the Senate were less candid and never would claim they were engaged in a filibuster, but the honesty in disclosure these days is entirely different. Those who oppose the bill freely describe their activity as that of a filibuster.

Mr. President, I ask unanimous consent to have printed in the RECORD the full origin of the word "filibuster," as it appears in the Oxford English Dictionary.

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

Filibuster. The F. form *flibustier*, adopted about 1790, was superseded about 1850 by *filibuster*, ad. Sp. *filibustero*. †1. *gen.* = FREEBOOTER (*rare*). 1587. 2. *spec.* One of a class of piratical adventures who pillaged the Spanish colonies in the West Indies in the 17th c. 1792. b. Applied to the lawless adventurers from the United States who between 1850 and 1860 followed Lopez in his expedition to Cuba, and Walker in his expedition to Nicaragua. 1854. 3. Hence, One who engages in unauthorized and irregular war against foreign states 1860. 4. *nonce-use.* A pirate craft. MOTLEY. 5. *U.S.* One who practices obstruction in a legislative assembly 1889.

Filibuster, *v.* 1853. [f. prec. *sb.*] 1. *intr.* To act as a filibuster. Also *trans.* To subject to the methods of a filibuster 1862. 2. *U.S.* To obstruct progress in a legislative assembly 1882.

2. The objectionable practices of 'filibustering' and 'stone-walling' SIR M. H. BEACH.

Mr. WILLIAMS. Mr. President, it is interesting to note that the origin of the word goes well back into the 18th century and traces its way through the 19th century. It refers to "One of a class of piratical adventurers who pillaged the Spanish colonies in the West Indies in the 17th century. Applied to the lawless adventurers from the United States who between 1850 and 1860 followed Lopez in his expedition to Cuba, and Walker in his expedition to Nicaragua. 1854. Hence, One who engages in unauthorized and irregular war against foreign states."

It had been in evolution down to the point that it is now described as "One who practices obstruction in a legislative assembly." That, of course, is what we are engaged in here on this pleasant May afternoon—witnessing a filibuster.

I am glad that the Senator from Pennsylvania indicated the wide interest in how we got the word "filibuster."

Mr. SCHWEIKER. Mr. President, I thank the Senator for answering my question.

Yesterday, a school child in a visiting group asked me about this, and I had to confess that I knew where the word "bunk" originated—in the House, during a speech by a Representative from Buncombe County, N.C. I knew where the word "bunk" originated, but I did not know where the word "filibuster" originated.

I appreciate very much the Senator from New Jersey, the chairman of our committee, putting in the RECORD that very clarifying point.

Mr. WILLIAMS. Not being engaged in a filibuster, those are my remarks this part of the day, I wanted to express appreciation to the Senator from Oklahoma who yielded the floor to give me an opportunity to include some things in the RECORD. I appreciate that. I know he wants to continue with his speech. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I thank the senior Senator from New Jersey. I say that the definition and derivation of a filibuster which he just read and also submitted for the RECORD may be the most interesting statement which has been made in this debate. I think it will attract a lot of interest. I thank him for it very much.

Is the distinguished Senator from Illinois interested in obtaining the floor for a moment? If he is, I will delay my remarks.

Mr. PERCY. The Senator from Illinois is ready to proceed but would certainly yield to his distinguished colleague.

I would also mention that I have not yet had the chance to be on the floor during this debate.

Mr. President, first, I ask unanimous consent that Barbara Block, Mary Joyce, and Lucinda Oliver of my staff be granted privilege of the floor during debate and votes on the pending Labor Reform Act, H.R. 8410, although it is not anticipated that more than one would be on the floor at any time.

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

Mr. PERCY. Some of us had the opportunity the other day to witness the affection and esteem in which our distinguished colleague (Mr. BARTLETT) is held by his constituents and the leaders of the State of Oklahoma. It was one of the most fascinating and meaningful evenings that Loraine and I have spent in a long time. The outpouring of affection shown to Senator BARTLETT was certainly well deserved.

I believe the two Senators from Oklahoma, Senator BARTLETT and Senator BELLMON, have contributed so much. Both of them are former Governors. They have brought an expertise to this body which is really unparalleled. I am grateful indeed for both of our distinguished colleagues.

Mr. BARTLETT. If the Senator will yield, I would like to thank him very much for his kind remarks. The Senator from Illinois is my very good friend. He and his wife were kind enough to participate in a function with us. I am very pleased that he enjoyed the performance and the reception. It was a very gratifying occurrence for me which was enhanced by the Senator's presence.

Mr. PERCY. Mr. President, I would like to thank Senator BARTLETT, Senator LUGAR, Senator WALLOP, and their staffs. I have just returned from the U.N. session on disarmament, in New York. I was not certain until a few hours ago just what time I would be able to return to Washington. I very much appreciate the understanding of my colleagues in this regard and their willingness to accommodate my schedule.

Mr. President, as I indicated a few days ago, I would be taking the floor at the end of this week to discuss for the first time in a substantive way the Labor Reform Act. I will be addressing my remarks to the floor managers of the bill in the hope that my comments and their responses will be constructive and contribute to better public understanding of some of these issues. I respectfully have to disagree with a statement made by Senator WILLIAMS, when I first came to the floor, who said, if I heard him correctly, that this bill would not be inflationary.

In the judgment of the Senator from Illinois, inflation is the No. 1 domestic enemy we have in this country today. It is robbing the working people of the value of their income, lifesavings, and other financial resources.

George Meany was an articulate spokesman a week ago when he recognized that even the distressing problem of unemployment is not now as cruel an enemy of the people of this country as inflation.

It is my contention that the bill before us is inflationary.

In the course of the next few weeks I will be speaking on the general provisions of the pending Labor Reform Act and on the related issues and problems in the field of labor law that have been brought to our attention over the last

several months. I am fully committed to a thorough debate in order to guarantee that this bill and the changes it will bring about in the conduct of labor-management relations are as fully understood as possible by all Senators and by the American public.

I am disturbed by the emotional presentations of some extremists on opposing sides of this issue which have made rational and reasonable discussion of this bill very difficult. We have all received more mail on this issue than on probably any other single issue that has faced the Congress this year or in many years, including such controversial issues as the Panama Canal and the Mideast arms sale package.

We have met personally with probably more delegations from our own home States on this one issue than on any other single issue. There is no group on this issue that I have refused to see. I know I can certify that no issue in my 12 years in the Senate has ever aroused the high emotions that this one has, manifested by the 115,000 pieces of mail I have received on this bill alone.

I must say that I have met with some extraordinarily well informed people on both sides, both labor and management, who have studied the bill carefully. I have met with many who are reasonable in their approach to this legislation, who point out either the need for it or the lack of need for certain provisions in it.

I have also met with some very ill-informed people on both sides of this issue whose emotions have overcome them, who are given to the rhetoric printed in the canned releases of the Washington lobbyists, without fully understanding the issues involved. They really, I felt, ought to have gone back to do their homework.

Some management representatives want absolutely no legislation at all, regardless of the reasonable argument that parts of the present law do not respond to current problems or really do not and cannot fulfill the intent of Congress when present law was originally adopted.

Some on the other side seem to be saying that the role of Government should be changed so that it comes down squarely on the side of the union organizers whose successes have markedly decreased in recent years.

I must simply reject both of these extreme positions. The neutral role of Government should not change. The choice of unionization should belong to the worker alone, without pressure from employers, unions, and certainly not the Federal Government.

When I say pressure, I mean without undue pressure, because obviously employers and unions do have a right and a duty to express their views as to what, in their opinion, is in the best interest of workers. The Federal Government's role, however, should not be as an advocate of either position. It should be neutral. It should insure that the rules of the game are fair, and then step aside.

However, an increasing number of reasonable people have become aware of the need for changes in current law and procedures to eliminate needless and deliberate delays and to strengthen the protection available for workers harassed and intimidated for union activities.

(Mr. ZORINSKY assumed the chair.)

Mr. PERCY. The J. P. Stevens situation and similar cases have tainted labor relations in this country. I do not believe that we need substantive changes in the balance or in the direction of existing labor law. What we do need is a strengthening of the law as it exists now to guarantee the effective implementation of the National Labor Relations Act, without hurting the thousands of employers who play by the rules and without forcing unionization on workers who do not wish to be so represented.

I have sufficient serious reservations about this legislation as it is now written to cause me to vote against it in its present form. But I do not think, if it is killed by a filibuster now, that it will just simply go away. If we do not deal substantatively with this legislation now, it will be back again and again, giving Washington lobbyists a field day for whipping up the emotions of their constituencies.

I believe that with careful thought and amendment we can achieve a practical piece of legislation acceptable to reasonable people on both sides. If the House will not accept reasonable amendments, the Senate can and should reject the bill which comes out of conference.

I ask my distinguished colleagues who feel that there is only one approach to this bill, that of a filibuster: do they want to continue spending the rest of this year and next year grappling with the same issue?

It impedes the ability of the Senate to get other work done. It slows up all of our processes, including seeing people on other issues.

It is not going to go away. Those who think they are going to kill this bill by filibuster this year and that it is just going to go away do not know anything about organized labor and its determination. So we had best face up to this issue now.

We should not be here to write a whole new set of labor laws. We should strengthen the ability of the Government to enforce what is already on the books. That is why I oppose the present bill, and I respectfully do so knowing that the committee has worked on it very hard, and has also improved, in some respects, the bill as it came out of the House. We should give full credit to the committee for seeing that the House-passed bill was unacceptable.

All the Senator from Illinois is doing is saying is, "Let us work together with an open mind now to continue that process." I do not think in the end, if it is a question of passing the bill or not passing the bill, that the managers are going to be close-minded and saying, "You have got to take this bill as it is, the way we have it, without any change."

That is unrealistic.

Some have suggested that the House will run roughshod over the Senate in a conference committee. That is the perception they have. I say, "You just do not know the Senate."

There are many, many cases where the Senate has prevailed on issues. I just point to the votes in conference yesterday on the energy bill. Did we ever think the House would accept moving away from total regulation? No. Now, they have. I would appreciate some comment by the floor manager, Senator WILLIAMS, as to whether or not he feels the House is going to be so rigid if there are amendments passed by the Senate. Will the Senate simply recede?

Mr. WILLIAMS. Well, it is a very fair question. Before I respond to it, I want to commend the Senator from Illinois for his approaches here to this subject matter this afternoon. They are most constructive, and the kind of attitude that can move us in fashioning legislation that should be brought to a vote. Who knows what that final vote will be, but it has been the most constructive kind of attitude and approach, and should be greatly appreciated by this country, I would think, which witnesses again a Senate bogged down, and they see too much of that, it seems to this Senator.

I have heard others express this attitude that the House will be adamant and will resist any bill that had changes made here in the Senate. I could recall for the Senator, prefatory to the final conclusion on this question of the House's attitude about a Senate bill, this Senate bill, if it is passed, that our history has been one that has brought a legislative product to conference with the House where there has been, in all cases where there were differences, a situation where we, in being faithful to the Senate's position, had major appreciation in the House, and receding to the Senate's position.

I could go back beginning with the coal mine health and safety bill of 1969 and trace it through other bills, and this is just out of the labor area of our activity, the occupational safety and health bill, pensions and minimum wages, pregnancy disability, the amendments we had there. We have with time been able to be well received by House conferees in our product, and, in good measure, it has been the final product of the conference, in areas of labor concern. So I do not have any hesitation in saying that, perhaps, it is the time that the Senate rules permit upon our measure, but whatever it is, and we fashion something, the House will not shut the door adamantly at the beginning and say, "It is ours or nothing."

We will work this out in a way that I know we will be successful in being faithful, but there will be fidelity to the Senate product that will be fashioned over such a long, long period of time.

Mr. PERCY. I thank my distinguished colleague.

I am very pleased that Senator JAVITS, a floor manager of the bill and the ranking minority member of the Human Resources Committee, is on the floor.

I would like to ask for a brief response from him as to whether he feels that, if amendments are passed by the Senate, our conferees would fight for those changes. Would they be up against a stone wall in the House of Representatives? Some businessmen have told me

they oppose amendments because they simply feel the Senate position will not prevail in the House.

Mr. JAVITS. Mr. President, I would like to say, I have made the point before and I will make it again and again, that when I am a conferee I consider it my duty to fight for the Senate bill. I have always done that, and I would certainly do it in this case.

With no question, I will stand up strongly, firmly, and do my utmost as a loyal representative of the Senate.

When we get to conference, I represent the Senate. In conference I am the representative of the Senate; I am not my own representative. When I vote I am my own representative. When I sit in this chair I am the representative of the committee, insofar as the committee manifests its will. That is the way I feel about this situation.

Let me tell the Senator one other thing: the frame of reference is always very important in conference. This is a situation in which a bill is desired by the House. If we yield to opposition, there can be no bill. That will satisfy the opponents; they do not want a bill. So I think we have a stronger position than usual. This is something which the House has voted for overwhelmingly. They want it.

We are not going to vote it that overwhelmingly, first, and second we are going to write some things into it. We already have as the Senator has pointed out.

I am very honored to be the person who is trying to work it out. So I think our position in conference, and I intend to exploit it to the full, is strong. The bill is desired, and if the Senate does not concur, there is no bill. If the Senate turns down a conference report there is no bill. I feel very strongly, therefore, that the Senator has every reasonable basis for assuming that a Senate bill must, in the main, prevail, and I consider that my bounded duty.

Mr. PERCY. I thank the distinguished Senator. I know that it would not be revealing a confidence to say that this same pledge was made by the distinguished Senator from New York to his fellow Republicans. We all know that the Senator from New York carries tremendous weight with the House Members in a conference. He has served on many, many conferences, and I feel confident that with any amendments we work out here, many of the House Members are going to be very happy indeed.

Subsequent to the House vote, many House Members have told me that they had not had an opportunity to study the bill or to talk with their constituents about it. Now they will be talking with their constituents, and I feel confident they are going to agree with what I am saying today.

My opposition to the bill as written is based on:

The short time periods within which NLRB-supervised elections ar required to be held;

The equal access provision;

Summary affirmance of the decisions of administrative law judges by a minority of the National Labor Relations Board; and

The fourth provision is the so-called "make-whole" remedy.

These provisions are the most disturbing examples of proposed changes in existing labor law that would tip the balance too far in the direction of organized labor. I will address each of these provisions in the course of the debate.

Today, I would like to discuss the "make whole" provision. While I understand the reasons behind it, I cannot support it as now written in the bill. I am willing to propose what I consider to be a reasonable alternative, and hope that full consideration will be given to this alternative, or any modifications that can be suggested in it by the managers of the bill.

S. 2467 provides that the Board may, as a remedy for a demonstrated refusal to bargain in good faith prior to the entry of the first agreement, award to the affected employees compensation for the loss incurred by the delay in bargaining caused by the unfair labor practice. The measure of such damages shall consist of the following:

> The difference between the wages and other benefits received by the employees during the period of delay and the wages and other benefits they were receiving at the time of the unfair labor practice increased by a percentage equal to the change in wages and other benefits stated in the Bureau of Labor Statistics average wage and benefit settlements, quarterly report of major collective bargaining settlements for the quarter in which the delay began.

An easier way of expressing this would be as follows:

Original wage levels plus percentage increase in nationwide settlements minus wages actually earned equals amount to be paid.

Under current law, there is no provision for a make whole remedy. In the event of a failure to bargain in good faith, the aggrieved party files a charge of an unfair labor practice with the Board. If the Board finds that the charge has merit, it issues an order to bargain which, if disregarded, brings the case to Federal court.

Though the instances are not numerous, the J. P. Stevens Co. case has dramatized that the National Labor Relations Act provides insufficient incentive for the employer to bargain in good faith with the union. If he does not, a bargaining order issued months or years later merely requires him to do what he should have done originally without any provision for the damage done to the employees in the meantime. There is the opportunity, for employers who choose to use it, to delay action indefinitely in the hope of breaking down the union completely.

I say that it is only a very small percentage of companies which has seen fit to frustrate the intent of present law and have found ways to evade it. I think this does nothing to serve the interests of the collective bargaining process, to which I think and hope most of us are firmly committed.

Proponents argue that there is not only a need for a disincentive for such a refusal to bargain by the establishment of this remedy but also a need for the establishment of an objective standard by which the amount of damages to be paid will be determined.

Mr. President, I believe that the provision in the bill before us has several serious flaws:

First. It is, today, highly inflationary;

Second. It interferes with the free collective bargaining process as we know it; and

Third. It could adversely affect the employer's right to appeal in Federal court the determinations of the National Labor Relations Board on questions related to a representation election.

I. INFLATIONARY IMPACT

Mr. President, I am greatly concerned about this section of the bill because it could easily add to the inflationary pressures that are all too evident in the economy. Just 3 weeks ago the Labor Department reported the wholesale price of finished goods rose 1.3 percent in April, the largest single increase in more than 3 years. On an annual basis that is a jump of 15.6 percent and I do not think anyone in this Chamber can disregard such a warning about the state of the economy.

If this economic fact of life slipped by some of my colleagues, I am sure the words of George Meany did not. Speaking on "Issues and Answers" on May 14, Mr. Meany commented on inflation. His statement is important and I would like to read it to my colleagues. The AFL–CIO chief said:

> I want to repeat that I agree with the President that inflation is our number one domestic problem at the present time. A few months ago I may have said that unemployment is the problem. Unemployment has come down. It is encouraging. It has come down a little bit at a time. It is now down to 6 percent. On the other hand, inflation is certainly on the rise.

Mr. Meany wisely pointed out what many economists and journalists have told us for months: namely, that unemployment was no longer the country's major problem. It has been displaced by inflation.

Every Member of Congress who will be back in his home district next week for the Memorial Day recess will hear from his constituency about this.

I believe the "make whole" provision of the Labor Reform Act would, as presently written, add to the inflation of the economy over the long run. By accepting this part of the bill, the Senate would build into the economy pressures for large wage increases in industries that have had moderate wage increases in recent years. The reason for my concern stems from the stipulation in the bill that the "make whole" remedy be based on the Bureau of Labor Statistics' average wage and benefits settlements index, which is issued quarterly. The BLS includes not only wages but also other wage settlement items such as pensions and fringe benefits. What is most worrisome about the use of this particular index is revealed in the BLS chart, at the conclusion of my remarks, for the first quarter of 1978. As can be seen in this table (table I), collective bargaining settlements affecting only wages experienced a 9.9-percent annual rate of increase in the first quarter. When benefits are combined with wages,

however, we see a jump in the rate of increase to 14.6 percent. Were this standard to be applied right now in failure to bargain cases and otherwise used as an example across the country and down to the smallest units, the effect could be quite inflationary. We would in effect be saying: the largest negotiated increases should serve as the yardstick for the rest of the country. I do not think many of my colleagues would be comforted by a spate of contract renewals all of which included terms like the recent coal settlement.

The people who will be hardest hit by another round of escalating wages and prices are lower- and middle-income Americans. Everyone feels the impact of inflation, but these hard-working Americans—many of them members of labor unions—will feel the pinch most severely. They are also the ones who are least able to afford inflation, as they have mortgage payments to meet, growing families to feed and care for and utility bills to be paid.

To illustrate just how inflation undercuts the American family's budget, we have only to look at the Council on Wage and Price Stability's 13th quarterly report on inflation. The Council identifies "problem sectors" of the economy that it has found are "especially troublesome": food, energy, medical care, housing, and Government activities.

Food prices were one of the factors that led to the increases in wholesale prices last month, rising at a rate of 1.9 percent, or 22.8 percent annually. The Council found that consumer food prices have, in the last 10 years, "increased more rapidly than prices for other consumer products * * *" This burden is borne most heavily by the middle income worker.

Two weeks ago, in the fine community of Kankakee, Ill., I stood outside a shopping center for several hours, just to talk to people as they came out, pushing their baskets. I have never heard so many people so enraged, so angry, and so discouraged about inflation.

For many Americans it is a demeaning thing—certainly, for people who are working hard for a living—to face this kind of inflation. I do not think they want to accept anything in a so-called labor reform law that would accelerate that inflationary process.

Working people and their families are hit equally hard in the pocketbook when they pay their bills for gasoline, home heating oil, and electricity. Since the 1973 Arab oil embargo, the price of imported petroleum has skyrocketed 350 percent.

Increased housing costs have sent homeownership beyond the reach of nearly all middle income families and increasing costs for health care have made this sector of the economy one of the most inflation-prone.

Even after the taxpayers have cleared all the hurdles of housing, medical care, food, and energy, they are not home safe. They still have the tax bill to pay. And our tax system has a built-in inflation penalty which hits hardest the middle-income worker. Assuming a 6-percent annual rate of inflation over the next 3 years, the average taxpayer making $10,000 today will pay $230 more in taxes in 1980 if his wages rise by only enough to keep up with inflation. Taxpayers earning $20,000 today will pay $268 more. Just to stay even, a family's income must rise faster than the inflation rate, otherwise our middle income workers are worse off than before their "raises."

Mr. President, it becomes clear that Congress has the serious obligation to fight this particularly stubborn bout of inflation and to avoid entangling ourselves in new proposals that could add to it.

A second reason for my concern is that the BLS index cited in the bill is based on large employee units of at least 5,000 workers, including industries such as telephone, steel, automobile, aluminum, and rubber—the industries traditionally where some of the highest settlements are achieved. It is hardly fair to impose the percentage increases of these settlements on businesses which have considerably fewer employees. Most Board units contain fewer than 50 employees. This provision would try to make apples out of oranges by forcing a smaller employer into the mold of a larger employer by requiring him to make a comparable settlement. The second table at the conclusion of my remarks represents the reality we face. It will be noted that employees in small firms do not generally receive wage increases of the magnitude of those in larger firms, many located in high cost urban areas. Settlements in large establishments are, in fact, a whole percentage point higher than those for all workers.

Mr. President, we are doing more here than just "making whole" employees. We are, in effect, directing that they be given quite a bit more. Just 2 years ago Congress wisely repealed the so-called "1 percent add-on" for Federal retirees, which gave them much more than cost-of-living increases. I mention this because it was another case of congressionally mandated built-in inflation which eventually had to be altered. We should not fall into that trap again, but we are on the verge of it with the present language.

I turn to the second reason for opposing the present provision and that involves interference with the collective bargaining process itself.

II. INTERFERENCE WITH COLLECTIVE BARGAINING PROCESS

The "make whole" remedy under the bill represents a fundamental shift in Board policy concerning collective bargaining. That policy, which dates back to the Wagner Act of 1935 has been for the parties to reach their own agreement without Government interference with respect to the terms of the settlement. Using the Bureau of Labor Statistics' figures on collective bargaining settlements for units of 5,000 or more employees calls to the attention of the individual worker in a dramatic and personal way the extent of wage and benefit increases in other industries, despite the fact that he or she may be living in a rural lower cost area. Why should they settle for anything less for the terms of the contract they hope to negotiate? In spite of proponents' arguments that the "make whole" remedy is a one-shot deal and not a "contract" imposed on the employer, there is considerable validity to the argument that it would seriously affect the eventual outcome of the normal bargaining process and seriously undercut the very procedures that labor unions were established to facilitate. The BLS figures could, in a sense, become a substitute for bargaining and be looked upon as a target to aim for or exceed in collective bargaining proceedings unrelated to the particular NLRB case adjudicated. Employees in units not affected by the "make whole" remedy, or those negotiating new contracts—encouraged by the experiences of their colleagues in other bargaining units—could begin to use BLS figures in future bargaining until we face the possibility of those figures becoming nationwide standards. As such, it would represent a total departure from longstanding Government neutrality in these matters.

I wish to comment briefly on the effect on the right of appeal.

III. EFFECT ON RIGHT OF APPEAL

Under the act, the Board has delegated to its regional directors its powers in contested cases to determine the appropriate bargaining unit, direct an election, and certify the results. A public hearing in contested cases is conducted by an agent of the Board and the record of the evidence and arguments of the parties form a basis for decisonal action. Upon the request of an interested party, the Board may review any action of a regional director under the delegated powers, but Board review shall not operate to stay the regional director's action unless the Board specifically so orders, and it usually does not.

Under current practice, then, an employer must refuse to bargain with a union if he wishes to seek appellate court review of what he considers an erroneous bargaining unit determination or an objection to the election. If the court rules against the employer, the Board may then issue a bargaining order as a remedy. It is my concern that, under the Labor Reform Act, an employer will be deterred from seeking court review since he risks a more severe sanction if he loses, even though he may sincerely feel that he had a legitimate case.

In this case I indicate to my distinguished colleague, Senator WILLIAMS, that some of the most responsible business people in Illinois have come to me and pointed out this particular provision. They feel that it would put too severe a sanction on the employer for wanting an appellate review of Board decisions a right we should fight to protect. And I have been deeply impressed with the sincerity of those who have come to the Senator from Illinois, not in an attempt to gut the issue, but simply to point this out as a process of law that they would be denied.

The make-whole remedy, as drafted, is particularly inappropriate because a refusal-to-bargain charge by the NLRB which arises out of delays occurring before the signing of a first contract is often a minor, technical violation of the act. Moreover, any unilateral change by an employer with respect to mandatory subjects of bargaining may also violate

the act's requirement for good-faith bargaining, irrespective of management's good intentions.

(Mr. DECONCINI assumed the chair.)

Mr. PERCY. Similarly, an employer may violate the act if he refuses during negotiations to accede to a request such as to allow a union representative to examine his books and records with particular reference to the unit costs and profit margins. The case law on this subject shows that employers acting in complete good faith are oftentimes found in violation of the good-faith bargaining requirement. The imposition of a remedy of such impact is unfair and disproportionate to the violation it is designed to cure.

All of these criticisms, Mr. President, do not mean that I am not sympathetic to the kind of situation in labor-management relations which has given rise to the amendment. I thoroughly support the principle that the Government should provide a disincentive for those who engage in bad-faith bargaining for the purpose of delaying perhaps forever the time when they will have to deal with the duly chosen representatives of their employees.

This concept does not have to be eliminated entirely from the bill, but I believe it must be considerably improved. At the appropriate time I intend to call up an amendment which, I believe, represents a good-faith attempt to provide a workable solution.

My amendment attempts to accomplish two objectives:

First, to guarantee that an employer who seeks in good faith a court review of Board determinations concerning the bargaining unit or the election procedures will be free from the threat of the make-whole remedy, and

Second, to provide that any damages awarded to the injured employees under the make-whole provision would be determined by the Board with regard to the circumstances of the individual employer, instead of using the BLS index.

First, my amendment corrects the inflationary bias of the provision. It does not eliminate this section but substitutes a more realistic formula for the BLS index in determining compensation. The Board should be given discretion to consider a number of factors which pertain to the case at hand. My amendment requires the Board to base its award on the following factors: First, wage increases received by employees in the same geographical area for the same time in question; second, wage increases received by bargaining unit employees prior to the refusal to bargain; and third, wage increases received by employees in other plants of the employer. Other factors could be considered, too, if the Board thought them relevant to the situation.

Second, my amendment provides that in a case in which the Board determines that an employer's refusal to bargain prior to the entry into the first collective bargaining agreement was based on a genuine issue of law or a fact was present to warrant a refusal to bargain other than the sole purpose of delay, the remedy would not apply.

Mr. President, this amendment will not inflate the economy because it does not apply the average settlement of the country to small towns and suburbs or to areas where salaries and costs of production are lower. It just is not commonsense to apply a standard that includes high-cost areas like New York City and Chicago to lower cost Peoria and Springfield. Awards should be based on the individual situation and the prevailing wage in the area if we are to keep from fueling the fires of inflation with this bill.

Mr. President, I ask unanimous consent to have incorporated in the RECORD at the conclusion of my comments here tables I and II to which I have previously referred.

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

TABLE I.—ANNUAL RATE OF INCREASE IN COMPENSATION, 1976 THROUGH 1ST 3 MO 1978

[Mean adjustments]

Major collective bargaining settlements	Annual rate of increase (in percent)			
	Full year		1st 3 mo	
	1976	1977	1977	1978
Wages: (1,000 workers or more):				
1st-yr wage rate adjustment	8.4	7.8	7.7	9.9
Wage rate changes over life of contract	6.4	5.8	6.7	7.3
Wages and benefits combined (5,000 workers or more):				
1st-yr changes	8.5	9.6	9.0	14.6
Averaged over life of contract	6.6	6.2	7.5	8.5

Source: BLS.

TABLE II.—WAGE RATE CHANGES EFFECTIVE IN 1976 BY UNIT SIZE AND TYPE OF ESTABLISHMENT

[Percent increases]

Type of establishment	Number of workers in establishment				
	Fewer than 100	100 to 499	500 to 999	1,000 or more	All
All workers	6.5	6.6	7.0	8.3	7.3
Union establishments	7.0	7.1	7.4	8.4	7.8
Nonunion establishments	6.0	5.9	6.2	7.0	6.1

Source: Bureau of Labor Statistics, "Current Wage Developments," September 1977.

Mr. McGOVERN. Mr. President, will the Senator yield to me momentarily?

Mr. PERCY. Yes, of course.

Mr. McGOVERN. Mr. President, I have been interested to see what the Senator from Illinois has to say about the Labor Reform Act, and I have been very attentive to his remarks. But I have some brief remarks to make on another matter that I know the Senator is interested in, the restrictions the Congress is placing on the conduct of foreign policy in the executive branch. I wonder if, with the understanding that it will appear at the end of the Senator's remarks, he would be willing to yield to me briefly in order to make these observations. If the Senator is on too tight a schedule to do that, I will understand.

Mr. PERCY. I would be very pleased indeed, especially considering that the distinguished Senator is a full delegate to the United Nations session. I know he is doing double duty in both New York and Washington, and I would be most anxious to hear his comments, because I am vitally interested in the subject of whether the President is under restrictions now in his operations in Africa.

I would ask our distinguished colleague from Wyoming, however, since I know he is waiting to make a speech, whether it would be all right with him if I yielded to the Senator from South Dakota for a period of about 10 minutes to make comments on another subject.

Mr. WALLOP. By all means. I would suggest to the Senator, however, that he phrase his unanimous-consent request in the traditional form, that he will not, in returning to his remarks, be considered as having made two speeches.

Mr. PERCY. I hereby make that request. I also ask unanimous consent that Senator McGOVERN's comments appear in the RECORD following the remarks on labor reform bill today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from South Dakota is recognized.

(The remarks made at this point by Mr. McGOVERN and the related colloquy is printed later in today's RECORD.)

Mr. WALLOP. Mr. President, I wonder if the Senator from South Carolina will yield to me under the same terms and conditions that he yielded to the Senator from Illinois so that I might respond just a little to the remarks the Senator from Illinois has made?

Mr. THURMOND. Mr. President, I ask unanimous consent that I be allowed to yield under the same conditions that I yielded to the distinguished Senator from Illinois.

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

Mr. WALLOP. I thank my friend from South Carolina and I thank the Senator, and I pay my compliments to the Senator from Illinois. He has brought out the fact that good-faith people in this country have sincere and honest concerns about the effects this legislation will have on the manner in which the employer-employee relationship is conducted in this country. Without that the bill becomes the most damaging thing not only to our economy but to the future of labor and employer relations in this country.

I agree in most respects with what the Senator says, that the way to kill the bill is not through a filibuster. But I would suggest that one of our only levers at this moment in time is to prolong this debate to the extent that we bring out the points, as the Senator brought out today and intends to bring out in future days, and make certain that there is some agreement that those will be accommodated in the amendment process before

this terminates and our leverage disappears.

So again I can do nothing but pay my compliments to the Senator from Illinois. It was a rational presentation of genuine problems that exist in this bill, and to the extent that they are delineated that clearly, the "make-whole" provision, and the other concerns that the Senator speaks about, I think he does a service to the whole process of debate.

I again compliment him and I again attempt to prolong the arguments, but fashion the arguments in behalf of the other concerns which he expressed here, hope that he will bring out in as lucid a and that they not be considered as any genuinely bringing out concerns that have to be dealt with before this bill is ever put in the position of obtaining a final vote.

Mr. PERCY. Mr. President, would my distinguished colleague yield for just a response?

Mr. WALLOP. I yield.

Mr. PERCY. I very much appreciate the comments of the Senator from Wyoming, and I have previously commended on the floor those who have spoken.

I would like to report quite honestly and openly there have been a great many urging the Senator from Illinois to engage in a filibuster. The filibuster process works right within the rules of the Senate and exists to protect certain rights.

My own conclusion has been that I do not intend to rush into this. I think we are a long way from having all of the issues fully understood. Eventually I have said I would vote to close debate, and I would respectfully suggest to others opposed to this bill that we have a number of alternatives in trying to find a way to work out a rational and sensible approach.

The Senator from Illinois is adamantly against changes which I do think this bill would bring about. I think the role of neutrality of the Government should be preserved, and I have said this to my own labor advisory committee in Illinois, consisting of 26 labor leaders. We should not be promanagement; we should not be prounion. We should be proworker and his rights.

I respect the right of a company to resist unionization, as long as it does so legally. I also feel that some of the loopholes they have discovered should be plugged to strengthen the process rather than doing discredit to it.

It is the hope of the Senator from Illinois that we would end up with a bill which addresses itself only to the most flagrant abuses of the law.

I do wish to thank my distinguished colleague from Wyoming for his thoughtful comments, and I fully respect and honor the position he has taken and the conviction with which he has fought for what he believes in.

Mr. WALLOP. I thank the Senator. I might just add that the only thing we have in our pocket right now is the strength of the debate. Until we find that there is genuine willingness and genuine likelihood that these errors of major concern can be addressed, I suggest that this bill will come back again and again and again, for different reasons, unless we do a good job.

So I think it is incumbent upon us, for the entire country, that we take as much time as necessary in this arena to keep it, as the Senator says, neutral and balanced, not only in the sight of labor and in the sight of management, but maybe, for once, in the sight of the workers.

I thank the Senator from South Carolina for yielding to me under the circumstances in which he did.

Mr. JAVITS. Mr. President, will the Senator yield me 2 or 3 minutes, under the same conditions?

Mr. THURMOND. Mr. President, I ask unanimous consent to yield to the Senator from New York under the same conditions I yielded to the Senator from Wyoming.

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

Mr. JAVITS. Mr. President, I listened to our colleague from Illinois very carefully, and what I missed I will read carefully. As usual, he has been very clear and thoughtful, and has very clearly expressed his position.

I think it is fair to say for myself that I, too believe Government should provide the methodology, which is what I have always contended, in these labor-management matters, and should not load it either way.

That said, I think the Senator has, directly as well as by implication, put his finger on a very critical element of this debate.

Every businessman, and I think it is true of labor as well, wants finality: "Tell me the rules, and I will work within them."

So that is our first consideration. We have to be precise enough so that we do not have these long dragouts. That has been the problem with the Stevens case. Many people feel that Stevens has ruined the whole labor climate for them, and brought on this bill. I do not blame them; they felt that was what they ought to do. But labor feels it has been victimized.

My second point is that there are Members in this Chamber, and I love them dearly, many close friends of mine, who will not have this bill under any circumstances, on matter what we do to it. They are just against it; it is basic and congenital, in their view. Then there are some who feel we dealt with it as best we could in committee, and they are for it. That goes for Senator WILLIAMS and myself.

Then there are those who feel, like the Senator from Illinois, that they want something done, that they want finality, and that they are ready to try to refashion the rest of it, whatever they feel is wrong with it, on the Senate floor. To that the Senator from Illinois is making a real contribution and I promise him, as I did before, even when we were marking up the bill, my loyal efforts to inventory, examine, work with, and use whatever expertise I have to try to fashion a remedy for those two groups, those who want the bill and those who are willing to do whatever they can to command support here.

This is by no means in derogation to those who feel we should not legislate, that we ought to let matters stand as they are, though that view I cannot support.

Mr. PERCY. I thank the distinguished Senator. I realize he wants to be fair; I realize he wants fairness and justice. There is no stronger foe of inflation in this body than he, and for that reason I think we can work together in this effort.

I thank the Senator from South Carolina for yielding.

Mr. THURMOND. Mr. President, I rise in opposition to H.R. 8410, the so-called Labor Reform Act. In the RECORD on May 22, 1978, Senator ROBERT MORGAN, the distinguished Senator from North Carolina said:

> I remain convinced that this bill was raised for political purposes and as an attack on the economic progress that has been taking place in certain parts of our Nation.

Mr. President, I agree with Senator MORGAN.

On May 18, 1978, Congressman JOSHUA EILBERG of Pennsylvania, reinforced my view with a statement which he placed in the RECORD. His statement is entitled "Imports, Sun Belt Nibble At Textile Jobs." Congressman EILBERG stated on Monday, May 15, the Philadelphia Evening Bulletin reported on the growing competition from imports in the textile field and the continuing flow of jobs from the Northeast States to the Sun Belt States. Referring to the account in the Bulletin with approval, Congressman EILBERG gives us cause to examine that account. I quote from the account in the Bulletin:

> Men's and boys' clothing makers, women's clothing manufacturers and knit-goods makers (mostly sweater makers) are feeling a severe pinch because of a largely unrestricted flood of imports from Taiwan, Hong Kong, South Korea, Italy and other Countries, and to a lesser degree because of competition from open-shop manufacturers in the South's Sun Belt.

I share the concerns expressed concerning imports affecting the textile industry and thus the loss of jobs nationwide. However, I firmly believe that the motivation of some of those who try to pass this bad legislation before us can be traced to that seemingly innocuous phrase buried in the account found in the Bulletin. I say again the Bulletin lays a part of the blame on the loss of jobs in the Northeastern States to "competition from open-shop manufacturers in the South's Sun Belt."

Mr. President, an editorial from the Atlanta Constitution, October 11, 1977, puts it this way:

BIG LABOR'S BILL

> In recent years, Big Labor has been losing some of its clout—the clout that had been threatening to push the United States down the tragedy road of Great Britain. About 25 percent of America's labor force is now unionized as against 35 percent a decade or so ago. Last year, for the first time in many years, unions were rejected in a majority of organizing elections—rejection by the workers they were trying to organize.
>
> So, faced with declining strength, what does Big Labor do? It goes to the "Big Crutch"—Uncle Sam—and asks for addi-

tional muscle. And it has gotten it from the House of Representatives.

By a vote of 257 to 163, the House adopted the Labor Law Reform Act of 1977, a measure which will make organizing much easier for the unions and to, as one supporter said, "do economic justice to workers." But a spokesman for the U.S. Chamber of Commerce was much closer to truth when he called the bill "nothing more than phony reform" that would "push employees into compulsory unionism."

The main result of the bill is that it puts the federal government more on the side of the unions by making a number of changes in the operation of the National Labor Relations Board. As now set up, the NLRB provides for an important balance in labor-management relations—but the new legislation tilts NLRB regulations strongly toward labor.

The House passage of the bill is something of a "sop" to unions by the representatives—and also by President Carter since he supports the measure—because of some big defeats by Big Labor earlier this session, especially the defeat of common situs picketing. But there's danger in the "sop," to the South specifically as well as the nation.

The passage of the bill would be just another reason for industries to decide not to move South as they have been doing in increasing numbers in recent years. One reason they've been leaving the North and Midwest and moving to the South is the better labor conditions here because many southern workers are traditionally antiunions; most of the right-to-work states are in the South. But the new Labor Reform legislation would make it much easier for the unions to organize in southern states and "run" business here as they do elsewhere. There have been other legislative moves made recently by northern legislators to discourage industry from leaving their states to come here; this new labor bill is another step in that direction.

But it can still be stopped. It has yet to pass the Senate. It probably will not be considered by the senators until early next year. With sufficient advice from constituents, the Senate can be convinced to stop the giveaway to Big Labor.

While this wish to place lead in the shoes of the Sunbelt and other right-to-work States is certainly an important motivating factor for the proponents of this legislation, an editorial in the Greenville News, Greenville, S.C., January 17, 1978, places this measures in the perspective it deserves:

SENATE BATTLE ON UNION SHAPING UP

Return of Congress to Washington for its 1978 session means that the Senate soon will begin action on a House-approved bill to pack the National Labor Relations Board and slant the National Labor Relations Act drastically in favor of unions.

The measure, carrying the backing of President Carter, would speed up union elections and would stiffen penalties against companies found by the revamped NLRB to be in violation of the act. The bill essentially is a payoff to union bosses for political support in 1976.

It is billed as a reform measure. Union leaders claim it is aimed at breaking resistance to unions in the South. Those claims mask the real purpose of the measure—to help unions recoup membership losses all over the nation. The losses occur because of growing worker discontent with union bosses and union methods.

By playing up large southern textile firms, the unions also seek to make the fact that the measure is aimed at small businesses all over the country.

Details of the bill have been published many times and are well known. They add to a permit for unions to use steamroller tactics to overcome right-to-work laws in many states and eventually to exercise virtual monopolistic control over American industry. A model for what can result in America is the union dominated British system.

A Senate subcommittee plans to begin drafting its version of the bill about Jan. 20. The measure can go to the Senate floor soon thereafter, as union bosses push hard for early action.

Unions control far more than enough Senate votes to pass the bill, because of their political support for many senators in 1976 and earlier. It is important to offset this advantage by keeping the measure from reaching a vote if it cannot be modified into a balanced bill.

Therefore, opponents, here and elsewhere, would be well advised to encourage their senators right now to resort to the filibuster, if that be necessary to keep a bad measure from getting through Congress.

Mr. President, the distinguished chairman of the Human Resources Committee indicated he wanted to adjourn about 5:45. If that is the case, I am willing to stop at this point and would ask unanimous consent that I be allowed to continue my remarks another day without being charged with a second speech.

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

AN UNNECESSARY "CAMPAIGN" AGAINST CONGRESSIONAL FOREIGN POLICY RESTRICTIONS

(The following proceedings occurred earlier during consideration of H.R. 8410 and are printed at this point by unanimous consent:)

Mr. McGOVERN. Mr. President, I thank the Senator from Illinois for yielding. I would never have asked him to yield at this point had I not known of his interest in the subject I am about to discuss.

In the past few days, the American people have been informed that the administration contemplates undertaking a major "campaign" to bring about the lifting of certain restrictions which are said to be tying the President's hands as he attempts to conduct the Nation's foreign policy.

The purpose of my statement today is simply to declare my conviction that such a campaign will be unnecessary. All that needs to be done, if the administration is indeed serious about altering certain provisions of law, is to prepare remedial legislation to submit it to Congress along with a reasoned explanation as to the need for the change.

I might just add parenthetically, Mr. President, speaking as the chairman of the Subcommittee on International Operations, which has jurisdiction over matters of this kind, that I could assure the administration of very prompt and expeditious handling of any such legislation. But until such a request is offered, it is difficult for me to believe that this so-called campaign to lift the congressional restrictions on the President is anything more than a kind of a public relations gesture on the part of some administration officials, whose frustration at being unable to control complicated international events—and to establish an image as tough-fisted wielders of power—has compelled them to place the blame on Congress.

Behind this thus far nebulous campaign, I must say a rather confusing campaign not only to Senator CLARK, who has expressed his sense of confusion about what it is all about, there are three possible motives: The first is that the administration, having adopted a policy of watchful watching in Africa, may feel that such a policy is vulnerable to a militant right-wing attack within the context of U.S. policy. Therefore, rather than justifying current policy on the grounds that it is prudent and rational—and, Mr. President, I happen to think the administration's policy in Africa has been prudent and rational, though it may be frustrating that we have not been able to do anything more dramatic than we have but one has to also look at the realities of the situation and the limits that face us on that continent—administration officials nevertheless may have decided to project the idea that the reason they are following the course that they are is that they are hamstrung by the Congress and have no other choice.

Perhaps they also feel that this will enable them to engage in some tough talk about the Soviet and Cuban involvement and that by being seen as hard-nosed they will somehow strengthen their hand in attaining Senate approval of the SALT Agreement.

If this is the tactic, I question its efficacy. To the degree that they unleash the Communist bogeyman in American politics, I think they will find that he comes back to haunt them. Already, a number of Senators have joined in a declaration that they will withhold support for a SALT Agreement so long as Soviet-Cuban activity in Africa persists. This attitude is far more likely to spread than to be curtailed by administration statements giving credence to the dubious notion that important U.S. interests in Africa are now being directly and adversely affected, because of some kind of mysterious congressional restraints on administration policy.

The second possible motive for raising the specter of "congressional restrictions" is that, having won important but tough victories over congressional opposition to the Panama Treaties and the Middle East arms package, some administration officials may have decided to press their advantage.

Perhaps they have surmised that the momentum is now with the President, and that the time is ripe to swing the pendulum hard against the general assertiveness of Congress in the foreign policy process. If the idea can be generated that Congress is meddlesome and an impediment to effective Presidential action, some administration officials may feel Congress might be rendered more docile in the future. I also doubt the wisdom of this reasoning. The days of the so-called imperial Presidency are over, and I believe that for the foreseeable fu-

ture Congress will be participating in, and evaluating, significant foreign policy questions on a case-by-case basis.

I also think that in his more thoughtful moments that is the position of the President. I am sure it is the position of the Secretary of State who has been very careful to consult with the members of the Foreign Relations Committee and other Members of the Congress.

I do not believe that Members of this body are about to be diverted from that role by a vague public relations foray against "congressional restrictions."

The third and most curious possible motive behind these reverberations out of the executive branch is that the administration actually wishes to remove a number of foreign policy-related restrictions from the law. On Monday, as if they were releasing some heretofore secret document, the administration distributed to journalists a list labeled "Restrictions on Presidential authority to provide assistance to foreign nations and conduct foreign operations." There was, however, nothing secret or even esoteric about this list. It consisted of nothing more than a compilation, that any one of the interns in our offices could have prepared, of those provisions or limitations governing the kind and volume of aid that may or may not be given to designated countries or categories of countries, under certain circumstances.

Such provisions have always characterized foreign aid law, and quite reasonably, for there is absolutely no constitutional basis for the assumption—which is implicit in the title of this list—that the President should have an unfettered ability to dispense funds from the National Treasury on his own prerogative, particularly when the recipient is a foreign nation.

The Constitution of the United States very clearly places that authority on the authorization and appropriation of funds within the Congress of the United States.

If the administration does, however, wish any of these provisions altered, the appropriate and traditional process is—as I indicated earlier—the submission to Congress of draft legislation along with solid justification for removing these restrictions.

On the third assumption—that the administration is serious about eliminating or modifying certain provisions of law—the question arises as to exactly which provisions are being referred to, which ones are, in effect, tying the President's hands so that he is powerless to do anything about the Cubans or the Soviets and their activities in Africa and elsewhere.

In one case, it should be acknowledged, the administration has formally asked for a change in existing law—by requesting the repeal of the partial arms embargo against Turkey. This matter is now before the Congress and is being duly considered.

I might say, the outcome is uncertain. In this particular instance, because I do not believe the bargain will be effective in bringing about the resolution of the Cyprus question, I happen to support the administration. I think the time has come to lift the embargo and I think the administration took the proper course in saying publicly that they thought it was a mistake and then coming here to the Congress and asking us to lift it.

I think that the embargo was established by Congress with good cause, that there continue to be good arguments on both sides of this question, and that it is quite a reasonable and appropriate procedure for the matter to be decided by a majority vote in both Houses.

We cannot be absolutely certain about who is right on this matter. One thing is clear, that the Congress acted clearly within its legal and constitutional rights in placing that partial embargo in the first place and we can go through the same legislative processes, if it is so indicated by the realities, of removing it.

With regard to all other provisions on this list the State Department has furnished, Mr. President, a seven- or eight-page list which I will ask to have printed in the RECORD at the end of my remarks, the administration has not made a single move to seek either modification or repeal of that long list of restrictions that are allegedly paralylzing the President of the United States.

It is difficult to discern exactly which provisions might be at issue. Certainly, the administration cannot have in mind repealing the war powers resolution, which places perfectly reasonable—and indeed some would say insufficient—limits on the President's ability to commit American forces in prolonged hostilities abroad.

Is there really any citizen in this land who wants us to repeal the War Powers Act and go back to the days when the President arbitrarily made decisions to commit American forces abroad and leave them there indefinitely without formal action by the Congress?

Nor can anyone in the administration believe that the American people would favor a repeal of the so-called Hughes-Ryan amendment, which does no more than require that the appropriate congressional committees be kept confidentially informed of covert U.S. activities abroad. Is there really anybody in the administration who is going to argue that it is an infringement on the capacity of the President to conduct foreign policy for us to ask that the appropriate committees in Congress be kept advised confidentially on what the covert activities of our intelligence agencies are abroad—activities that, if they get out of hand, could get and have, in the past, gotten us into serious difficulty?

Much has been made, of course, about alleged restrictions governing U.S. aid to African countries. But as a quick summary easily shows, these provisions pose little difficulty to American policy.

What are those restrictions placed by Congress as they relate to Africa? One of them prohibits aid to Ethiopia. Would the administration wish to supplement Soviet and Cuban aid in the light of today's realities to Ethiopia?

Another stipulation requires that Congress be informed of aid supplied to Zaire. But this provision involves no restriction. Indeed, during the fighting of the past few days, such aid was supplied and Congress was duly informed. All the amendment says is that, if he wants to send in some kind of assistance, if he wants to become involved in Zaire, let Congress know that there is a national security question involved. The President did that and I have not heard one voice raised on the floor of the Senate about the C–130 aircraft that were used to airlift the threatened European citizens out of Zaire.

Finally, of course, the so-called Clark amendment, which is the one that has been in the press, prohibits aid to any faction in Angola without congressional approval. It does not say that if the national interest is threatened and the President feels that it is in our interest to back a particular faction in Angola, he cannot do it. All it says is if he wants to do that, if he wants to send in young Americans to get involved in a war in Angola or he wants to do something in the way of covert paramilitary operations, all he has to do is tell Congress and get the approval of Congress.

Earlier this month, and this is one of the confusing things about this, Mr. President, President Carter himself declared his support for that principle in the Clark amendment. And quite reasonably so, because which one of us, after the experience of Vietnam, would favor a significant American involvement abroad without a clear and formal expression of congressional support?

As to what other provisions in law the administration might wish to change, it is only possible to speculate. A number of provisions involve the application to foreign aid decisions of those human rights principles which the President has repeatedly espoused. In other words, we have placed certain restrictions on military and, in some cases, even economic aid to countries that have flagrantly violated elementary human rights principles. One finds it very difficult to think that the administration would object to the Congress of the United States trying to underscore the commitment of our country to human rights.

Other provisions prohibit aid to Communist countries, such as Vietnam, Cambodia, and Cuba. Presumably, the administration is not complaining about these provisions.

But extended speculation is pointless. The administration has a standing invitation to submit legislation to the Foreign Relations Committee any ime it really means business and is not simply engaged in a propaganda exercise.

Having extended this invitation, I should like to comment very briefly on the overall relationship between Congress and the executive branch in the foreign policy process. As commonly perceived, and I think it is fair to say this is primarily a result of the Indochina era, Congress's role has been that of a restraining or limiting force on the executive branch. To some who believe that the administration has needed restraining—and I am not talking just about this administration, but a whole series of abuses in the executive branch, I think abuses, or maybe I should say failure of congressional responsibility to exercise

the restraints that the Constitution places upon us—this new role of Congress being involved in a partnership with the administration on foreign policy is a valuable one. To others who believe that Congress has impeded the implementation of foreign policy, of course, the role is seen as perverse. But what I wish to emphasize, against both of these interpretations, is that the role of Congress goes well beyond the simple function of blocking or limiting or restraining. There is a positive contributing congressional role as well.

One extremely important example is the Senate's recent action on the proposed Middle East arms sales. Mr. President, had it not been for Senator NELSON's foresight some years ago in requiring that an arms sale package of this size be submitted to Congress with a 30-day opportunity to reject it on our part, this decision to sell arms to the Middle East would have been carried out by the executive branch unilaterally, and virtually every Senator would have been tempted to stand up on this floor and assail the President of the United States, knowing the deal was going to go through anyway. It would have been a popular political thing to dump the whole responsibility on President Carter and Secretary Vance, and all of us get up here, making our speeches, deploring the sale of arms into the Middle East. But when we had to face the hard decision of voting yes or no and take the responsibility for the interest of the United States in this sale, it was quite a different result. By a vote of 54 to 44, a clear majority of the U.S. Senate said, in effect, to the world, we uphold the hands of the President of the United States. So I think we did an enormous service by sharing the responsibility of that very agonizing and difficult decision with the President of the United States.

That Senate vote gave clear confirmation and strong impetus to an important new American role in the Middle East: That of friend and ally not only of Israel, but also of the moderate Arab States as well. I believe that this new departure in American policy, formalized by Senate support, will be shown by history to have far-reaching and beneficial consequences for the American and Israeli goal of a just Middle East peace.

Other examples of a positive, contributing congressional role often occur on a routine basis, and thus out of the headlines. One of which I am particularly proud is the Foreign Relations Committee's just-completed consideration of fiscal year 1979 authorizations for the foreign affairs agencies, contained in the Foreign Relations Authorization Act (S. 3076), the report on which I believe will become available today. Being intimately familiar with this bill, because it falls under the jurisdiction of the International Operations Subcommittee which I chair, I believe that it represents, in all respects, a responsible and measured congressional contribution to the foreign policy process. More than 30 provisions of the bill were initiated by members of the Foreign Relations Committee, and not 1 of these, I submit, constitutes an unreasonable intrusion into American foreign policy or a restriction on necessary Presidential flexibility. I invite the attention of the press to the provisions of this bill, which characteristically have gone unnoticed.

One provision of the bill mandates a tripling of the extremely important international exchange-of-persons program by 1983. Another seeks to set right, through the formalization of reasonable procedures, unresolved questions surrounding the Senate's treaty power. Still another provision serves the modest but useful purpose of extending American congratulations to Spain for the establishment of democratic institutions—an action I note which has been very favorably received among the Spanish people. Several provisions of the bill relate to strengthening the caliber and morale of the U.S. Foreign Service. Several other provisions identify areas in which executive branch action is desirable but which are drafted to allow the administration wide latitude in deciding upon the specifics of policy design and implementation. Still other provisions seek to facilitate U.S. compliance with the Helsinki Act, and thereby to encourage other nations to do the same. All in all, I submit, this bill is well conceived and an excellent example of prudent congressional action.

Some weeks ago, the able Washington Post journalist, William Greider, wrote a thoughtful article about the temptations faced by a President attempting to project his image as a forceful and adroit national leader. During most recent presidencies, Greider noted, moments of international "crisis" seem to have been more conducive than anything else to creating such a presidential image.

Given this phenomenon, Greider surmised, the advisors to a President who has not yet had his "crisis" might well be inclined to seek one out. Subsequently, my distinguished colleague from Idaho (Mr. CHURCH) aptly labeled this temptation the "situation room syndrome"—the false idea that policymakers, by rolling up their sleeves and bringing in the photographers to cover some urgent and fateful decisionmaking, can give the country a boost of pride in the virility of its leadership. In a significant op-ed piece, Senator CHURCH cogently argued that the political advantages conferred upon modern Presidents from a crisis have been at best fleeting and the dangers considerable, and I strongly agree. Whatever his natural desire to appear bold and decisive, any President must surely recognize the paramount lesson of our recent history: that an imprudent use of power carries with it heavy risks both for the country and for his presidency. Having no appetite for unwarranted risks and unnecessary war, the American people will, in the final analysis, place their greatest confidence in a leader who maintains the Nation's security through the competent use of peaceful means.

This, I believe, can be accomplished in partnership with the Congress. We do not need false "crises". We do not need unnecessary flexings of national muscle in order to placate right-wing critics and columnists. Already this year, the Senate has supported the President on two important foreign policy decisions.

I believe it will do so again when a clear and well justified request is made. In the meantime, campaigns against unspecified "congressional restrictions" serve no purpose other than to irritate the Congress and obfuscate the real issues.

I know the Senator from Illinois is anxious to take the floor again. I shall not continue, other than to say that our Committee on Foreign Relations has added some 30 constructive, positive, forward-looking changes in the operations of foreign policy this year in a report that I think was made available to the Senate today. I am very proud of those amendments. Senator PERCY had some role in some of them; they were supported by Senator JAVITS, who is here on the floor.

Before Senator JAVITS came on the floor, I referred to the War Powers Act and the valuable role that serves.

I just want to say by way of conclusion, Mr. President, that this so-called tying of the President's hands is, in my judgment, a bogeyman. There is no real substance to it. If there are restrictions that we need to take another look at, I am sure Congress is willing to do that. Meanwhile, we await a clear explanation of what this campaign is all about.

Mr. President, I ask unanimous consent that the administration's list of all the limitations that Congress has placed on the President, together with the Foreign Relations Committee staff analysis of that list, be printed in the RECORD at this point.

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

[Document No. 1]

LIMITATION PROVISIONS IN VARIOUS STATUTES

ARMS EXPORT CONTROL ACT

Section 3(a), eligibility criteria/3rd party transfers.
Section 3(c), ineligibility procedures.
Section 3(d), 3rd party transfer procedures.
Section 3(f), terrorism.
Section 4, Authorized purposes/Conte Long.
Section 5, discrimination.
Section 21(c), combat activities.
Section 21(h), combat readiness.
Section 31(a) and (b), financing authorization and ceiling.
Section 31(d), EDA.
Section 32, ExIm.
Section 33(a), African ceiling.
Section 35(a), diversion of dollar by LDC's.
Section 36(b), 30 day Cong. review of big sales.
Section 36(c), 30 day Cong. review of comm. exports.
Section 38(b)(3), restrictions on commercial exports.
Section 42(c), offshore procurement.

FOREIGN ASSISTANCE ACT OF 1961

Section 502(B), human rights.
Section 502, authorized purposes.
Section 502(a)(2), MAP (see also Sec. 516).
Section 505, eligibility conditions/3rd party transfers/stockpiling.
Section 620(a), Cuba.
Section (e), Hickenlooper.
Section (f), Communist countries (see also (b)).
Section (l), aggressive countries.

Section (m), wealthy countries.
Section (q), countries in default.
Section (t), countries with which no dip. rels.
Section (x), Turkey.
Section 620A, terrorism.
Section 620(B), Argentina.

[Document No. 2]

RESTRICTIONS ON PRESIDENTIAL AUTHORITY TO PROVIDE ASSISTANCE TO FOREIGN NATIONS AND CONDUCT FOREIGN OPERATIONS

Restriction and effect:

Sec. 25—International Security Assistance Act of 1977; prohibits assistance in FY 1978 for military or paramilitary operations in Zaire unless President determines such assistance is in the national security interests and submits a description and certification to Congress.

Sec. 404—International Security Assistance and Arms Export Control Act of 1976; prohibits assistance of any kind to promote military or paramilitary operations in Angola.

Sec. 662—Foreign Assistance Act of 1961, as amended (Hughes-Ryan amendment); prohibits non-intelligence covert operation abroad by CIA unless President finds it is important to national security and reports it to Congress.

Sec. 620B—Foreign Assistance Act of 1961, as amended; prohibits military assistance, training, foreign military sales or financing, and Munitions Control export licenses for Argentina after September 30, 1978.

Sec. 406—International Security Assistance and Arms Export Control Act of 1976; prohibits, with respect to Chile, the same activities prohibited for Argentina by Sec. 620B of the FAA (described above).

FY 1978 Foreign Assistance and Related Programs Appropriations Act; prohibits the use of funds for a number of countries in Latin America and Africa.

Sec. 503—Foreign Assistance and Related Programs Appropriations Act (Brooke Amendment); prohibits assistance to a country in default for more than one year in repayment of a loan from the U.S. unless previously disputed or default being cured.

Secs. 504(a)(2) and 516—Foreign Assistance Act of 1961, as amended; prohibit grant military assistance to any country unless the country and the amount of assistance are specified by law. (This precludes immediate grant assistance to a country not specifically included in the annual authorization bill.)

[Document No. 3]

COUNTRY-SPECIFIC PROHIBITION ON U.S. ASSISTANCE

Herewith are the statutory country-specific prohibitions on U.S. assistance.

Foreign Assistance and Related Programs Appropriation Act, 1978:

Title I—Foreign Assistance Act Activities—International Military Education and Training: None of the funds appropriated under this paragraph shall be used to provide international military education and training to the Government of Argentina.

Section 107. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Uganda, Cambodia, Laos or the Socialist Republic of Viet-Nam.

Section 114. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Mozambique or Angola.

Section 503A. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education and training or foreign military credit sales to the Governments of Ethiopia and Uruguay.

Section 503B. None of the funds appropriated or made available pursuant to this Act shall be used to provide foreign military credit sales to the Governments of Argentina, Brazil, El Salvador, and Guatemala.

Section 503C. Of the funds appropriated or made available pursuant to this Act no more than $18,100,000 shall be used for foreign military assistance, not more than $1,850,000 shall be used for foreign military credit sales, and not more than $7,000,000 shall be used for international military education and training to the Government of the Philippines.

Section 506. None of the funds appropriated in this Act shall be used for any form of aid or trade, either by military payment or the sale or transfer of any goods of any nature, directly to Cuba.

International Security Assistance and Arms Export Control Act of 1976 (PL 94-329):

Section 406. (a)

(1) No military or security supporting assistance and no military education and training may be furnished under the Foreign Assistance Act of 1961 for Chile; and no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Chile. No deliveries of any assistance, credits, or guarantees may be made to Chile on or after the date of enactment of this section.

(2) No sales (including cash sales) may be made and no export license may be issued under the Arms Export Control Act with respect to Chile on or after the date of enactment of this section.

International Security Assistance Act of 1977 (PL 95-92):

Section 25. No assistance of any kind may be furnished for the fiscal year 1978 for the purpose, or which would have the effect, or promoting or augmenting, directly or indirectly, any military or paramilitary operations in Zaire unless and until the President determines that such assistance should be furnished in the national security interest of the United States and submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report containing—

(1) a detailed description of the assistance proposed to be furnished, including the amounts of such assistance, the categories and specific kinds of assistance proposed, and the purposes for which such assistance will be used; and

(2) a certification that the President has determined that the furnishing of such assistance is important to the national security interests of the United States and a detailed statement, in unclassified form, of the reasons supporting such determination.

Section 28. (a)(1) It is the sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigation (including any resulting prosecutions) being conducted by the Department of Justice with respect to allegations of improper activity in the United States by agents of the Republic of Korea.

(2) Accordingly, the President is requested to report to the Congress, within ninety days after the date of enactment of this Act and once during each ninety-day period thereafter while such investigation (including any resulting prosecutions) is underway, with respect to the extent to which the Republic of Korea is cooperating with such investigation.

(b) It is the further sense of the Congress that the President should take all effective measures to assure that the Republic of Korea is cooperating fully with the investigations being conducted by committees of Congress.

Foreign Assistance Act of 1961 as Amended:

Section 513. Military assistance authorizations for Thailand and Laos, and South Vietnam. (a) After June 30, 1972, no military assistance shall be furnished by the United States to Thailand directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

(b) After June 30, 1974, no military assistance shall be furnished by the United States to Laos directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

(c) After June 30, 1976, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

Section 533. Southern African Special Requirements Funds.—(a)(1) Of the funds authorized to be appropriated by section 532 for the fiscal year 1978, $80,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region, and for education and job training assistance for Africans from Namibia and Zimbabwe (Southern Rhodesia). Such funds may be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide trade credits for the purchase of United States products to those countries in the region adversely affected by blocked outlets for their exports and by the overall strains of the world economy.

(2) Of the funds made available under this section, not more than the following amounts may be made available for the following:

Botswana	$15,000,000
Lesotho	15,000,000
Swaziland	5,000,000
Regional programs for education, training and refugee assistance	45,000,000

(3) To the extent practicable consistent with the purpose specified in paragraph (1), assistance under this section should be used to meet the objectives set forth in sections 102 (c) and (d) and in other sections of chapter 1 of part I of this Act.

(4) Before obligating any funds under this section, the President shall notify the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate with respect to the specific projects and programs for which such funds will be used.

(b) Of the funds made available under subsection (a) of this section for regional programs, not to exceed $1,000,000 may be used by the President for the preparation of a comprehensive analysis of the development needs of southern Africa to enable the Congress to determine what contribution United States foreign assistance can make.

(c)(1) None of the funds made available under this section may be used for military, guerrilla, or paramilitary activities in any country.

(2) No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines (and so reports to the Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States.

(d) It is the sense of the Congress that the United States should support an internationally recognized constitutional settlement of the Rhodesian conflict leading promptly to majority rule based upon democratic principles and upholding basic human rights. The Congress declares its intent to support United States participation in a Zimbabwe Development Fund. The Congress intends to authorize the necessary appro-

priation when progress toward such an internationally recognized settlement would permit establishment of the Fund.

Section 620, Prohibitions Against Furnishing Assistance (a)(1) No assistance shall be furnished under this Act to the present Government of Cuba. As an additional means . . . the President is authorized to . . . embargo . . . Cuba.

(f) No assistance shall be furnished under this Act as amended, (except section 214 (b)) to any communist country. . . . the phrase communist country shall include specifically, but not limited to the following countries: Peoples Republic of Albania, Peoples Republic of Bulgaria, Peoples Republic of China, Czechoslovakia Socialist Republic, German Democratic Republic (East Germany), Estonia, Hungarian Peoples Republic, Latvia, Lithuania, North Korean Peoples Republic, North Vietnam, Outer Mongolia-Mongolian Peoples Republic, Polish Peoples Republic, Romania Peoples Republic, Tibet, Federal Peoples Republic of Yugoslavia, Cuba and Union of the Soviet Socialist Republics (including its captive constituent republics).

(x)(1) All military assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), and all licenses with respect to the transportation of arms, ammunitions and implements of war (including technical data relating thereto) to the Government of Turkey, shall be suspended on the date of enactment of this subsection, unless or until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Military Sales Act and any agreement entered into under such Acts and that substantial progress toward agreement has been made regarding military forces in Cyprus; provided, that for the fiscal year 1978 the President may suspend the provisions of this subsection and of section 3(c) of the Arms Export Control Act with respect to cash sales and extensions of credit and guarantees under such Act for the procurement of such defense articles and defense services as the President determines are necessary to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization, except that during the fiscal year 1978 the total value of defense articles and defense services sold to Turkey under such Act either for cash or financed by credits and guaranties shall not exceed $175,000,000.

Section 620B. Prohibition Against Assistance and Sales to Argentina. (1) After September 30, 1978 no assistance may be furnished under chapters 2, 4, or 5 of part II of this Act to Argentina.

(2) No credits (including participation in credits may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Argentina.

(3) No sale of defense articles or services may be made under the Arms Export Control Act to Argentina; and

(4) No export license may be issued under section 38 of the Arms Export Control Act to or for the Government of Argentina.

Section 655. Limitations Upon Assistance to or for Cambodia. (a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $377,000,000 . . . for or on behalf of Cambodia during the fiscal year ending June 30, 1975.

(c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1972, unless such funds have been specifically authorized by law . . .

(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(g) Enactment of this section shall not be construed as a commitment by the United States to Cambodia for its defense.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., May 24, 1978.

MEMORANDUM

To: all members, Committee on Foreign Relations.
From: Paul Baker, Hans Binnendijk and Michael Glennon.
Subject: legislative restrictions regarding assistance to Africa and other restrictions compiled by the State Department.

At a breakfast meeting with congressional leaders of May 16, 1978, President Carter was reported to have expressed frustration at legislative restrictions placed upon the President's authority to render military assistance to Zaire. In subsequent talks between Administration officials and Members of Congress, and in the press, further controversy arose about congressional limitations on the freedom of the executive branch in responding to foreign policy problems in general. This memorandum analyzes (I) military restrictions regarding Africa and (II) other legislative restrictions compiled by the State Department.

Summary. Applicable statutory restrictions on military involvement have presented no obstacle to the achievement of publicly announced United States objectives in Africa. Indeed, during the recent crisis in Zaire, the President possessed the authority under existing law to take far more extensive action, had he so desired. No prohibition exists against military involvement in, or military aid to, specific countries or groups in Africa except with respect to Angola and the Government of Ethiopia. Only reports, presidential certifications, and compliance with the consultation provision and 60-day time limit of the War Powers Resolution, are required.

The Executive Branch has also compiled three lists of legislative restrictions on foreign assistance and military sales. The most prominent restriction is the partial arms embargo on Turkey which the President seeks to have repealed. Other restrictions relate primarily to human rights violators and to communist countries. The list also includes prohibitions on economic assistance to Angola and Mozambique contained in appropriations legislation.

With the exception of the restrictions respecting Turkey, the Administration has not requested the repeal of any of these prohibitions or restrictions.

I. MILITARY RESTRICTIONS REGARDING AFRICA

(1) Section 25 of the International Security Assistance Act of 1977 (the so-called "Haskell Amendment") provides as follows:

POLICY ON ZAIRE

Sec. 25. No assistance of any kind may be furnished for the fiscal year 1978 for the purpose, or which would have the effect, or promoting or augmenting, directly or indirectly, any military or para-military operations in Zaire unless and until the President determines that such assistance should be furnished in the national security interests of the United States and submits to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report containing—

(1) a detailed description of the assistance proposed to be furnished, including the amounts of such assistance, the categories and specific kinds of assistance proposed, and the purposes for which such assistance will be used; and

(2) a certification that the President has determined that the furnishing of such assistance is important to the national security interests of the United States and a detailed statement, in unclassified form, of the reasons supporting such determination.

This provision is more loophole than prohibition. It simply requires the President to determine that the furnishing of military assistance to Zaire in FY 78 is "important to the national security interests of the United States." He is required to submit to Congress a certification to that effect, plus a report detailing the assistance to be provided. Such certification was made on May 18, 1978.

(2) Section 404 of the International Security Assistance and Arms Export Control Act of 1976 (the so-called "Clark Amendment") provides as follows:

LIMITATION ON CERTAIN ASSISTANCE TO AND ACTIVITIES IN ANGOLA

SEC. 404.[7] (a) Notwithstanding any other provision of law, no assistance of any kind may be provided for the purpose, or which would have the effect, of promoting or augmenting, directly or indirectly, the capacity of any nation, group, organization, movement, or individual to conduct military or paramilitary operations in Angola unless and until the Congress expressly authorizes such assistance by law enacted after the date of enactment of this section.

(b) If the President determines that assistance prohibited by subsection (a) should be furnished in the national security interests of the United States, he shall submit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report containing—

(1) a description of the amounts and categories of assistance which he recommends to be authorized and the identity of the proposed recipients of such assistance; and

(2) a certification that he has determined that the furnishing of such assistance is important to the national security interests of the United States and a detailed statement in unclassified form, of the reasons supporting such determination.

(c) The prohibition contained in subsection (a) does not apply with respect to assistance which is furnished solely for humanitarian purposes.

(d) The provisions of this section may not be waived under any other provision of law.

The President on several occasions mentioned this provision specifically as one that concerns him. Why this should be so is not clear since it relates only to Angola and not Zaire. Moreover, at his May 4 press conference, the President expressed his agreement with the intent of the amendment:

Question: What is your view, Mr. President, of the South African military action against Angola taken today and what can the United States do in this case?

The President: Well, our Congress and my predecessor in the White House finally reached an agreement that we should not intercede in Angola, a decision with which I agree. We are not about to send American troops to Angola to participate in a war in that Western African country. . . . We have no intention to intercede in any way in Angola.

(3) Section 503 of the Foreign Assistance Appropriation Act of 1978 (Public Law 95-148; 91 Stat. 1230) (the so-called "Brook Amendment") provides as follows:

Sec. 503.[17] No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act unless (1) such debt has been

disputed by such country prior to the enactment of this Act or (2) such country has either arranged to make payment of the amount in arrears or otherwise taken appropriate steps, which may include renegotiation, to cure the existing default.

Although Zaire was technically prohibited from receiving assistance under the terms of this section, that obstacle was easily overcome by President Mobutu writing a check for the approximately $400,000 arrearage, permitting the President to announce that $20 million in FY 78 funds was now available for Zaire.

(4) Section 503A of that same act provides as follows:

Sec. 503A.[18] None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education and training, or foreign military credit sales to the Governments of Ethiopia and Uruguay.

These are human rights prohibitions.

(5) Section 662 of the Foreign Assistance Act of 1961 (the so-called "Hughes-Ryan Amendment") provides as follows:

Sec. 662. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers * * *.

This provision permits unlimited intelligence gathering and simply requires that CIA covert activities, other than intelligence gathering be reported to appropriated committees of Congress with a Presidential certification that such operations are "important to the national security of the United States."

(7) Section 5(b) of the War Powers Resolution provides as follows:

(b) Within sixty calendar days after a report is submitted or is required to be submitted pursuant to section 4(a)(1), whichever is earlier the President shall terminate any use of United States Armed Forces with respect to which such report was submitted (or required to be submitted) unless the Congress (1) has declared war or has enacted a specific authorization for such use of United States Armed Forces, (2) has extended by law such sixty-day period, or (3) is physically unable to meet as a result of an armed attack upon the United States. Such sixty-day period shall be extended for not more than an additional thirty days if the President determines and certifies to the Congress in writing that unavoidable military necessity respecting the safety of United States Armed Forces requires the continued use of such armed forces in the course of bringing about a prompt removal of such forces.

The 60-day time limit imposed by the Resolution is the only applicable restriction contained therein, although the President is also required (under section 3) to consult and (under section 4(a)(1)) to transmit a report within 48 hours after the armed forces are introduced into hostilities, or into a situation in which imminent involvement in hostilities is clearly indicated by the circumstances.

In sum, there is no provision in current legislation that specifically prohibits the President from providing military assistance to Zaire or to any other country in Africa, except for Ethiopia and Angola—two countries which are in the midst of civil wars. The "Clark Amendment" spells out the procedure to be followed if the President determines that covert or overt military assistance to Angola is necessary for the national security interests of the U.S. Such assistance could be provided only if "the Congress expressly authorizes such assistance by law."

No funds made available under the Foreign Assistance Appropriation Act 1978 may be used to provide military assistance to the government of Ethiopia.

Legislative restrictions on executive branch action in Africa can therefore be found only in reporting requirements and prohibitions regarding Angola and Ethiopia.

II. OTHER RESTRICTIONS COMPILED BY THE STATE DEPARTMENT

The State Department has provided the Committee with three lists (attached) of other foreign assistance restrictions, many of which do not relate to Africa. Perhaps the most notable is section 620(x) of the Foreign Assistance Act which limits arms sales to Turkey. The Administration has requested repeal of this provision in this year's legislation but the Committee voted 8 to 4 against such a repeal.

Other restrictions on the State Department's list are the result of human rights violations by the countries specified. Restricted countries include Uganda, Chile, Argentina, the Philippines, Ethiopia, Brazil, Uruguay, El Salvador and Guatemala. Restrictions vary from total arms embargoes to limitations on foreign military sales credits. The Executive Branch was the first to determine that most of these countries were human rights violators. Another, non-binding provision relates to the Korean bribery scandal.

In addition, there are restrictions on aid to communist countries, including Cuba, Cambodia, Laos and Vietnam, and other restrictions still on the books that limit U.S. activity in Indochina.

Finally, some provisions listed by the State Department restrict economic assistance to several southern African countries. Restrictions in the authorizing legislation can be waived by the President. The prohibition of economic assistance to Angola and Mozambique in appropriations legislation is non-waivable, however.

Mr. McGOVERN. I thank, very warmly, the Senator from Illinois (Mr. PERCY) for yielding this time to me. I am grateful to the Senator.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Who yields time? The Senator from Illinois has the floor.

Mr. THURMOND. I am scheduled to speak, Mr. President. I shall be glad to yield to the Senator from Illinois, but I am scheduled at this time.

Mr. PERCY. Mr. President, I believe, under the previous unanimous-consent agreement, the Senator from Illinois did yield. He did not lose his right to the floor. It would be the intention of the Senator from Illinois to complete his comments and then yield to my distinguished colleague.

Mr. THURMOND. Could I have the floor and then yield to the Senator?

Mr. PERCY. Certainly.

The PRESIDING OFFICER. The Senator from Illinois yields to the Senator.

Mr. THURMOND. I am getting the floor in my own right and then I will yield to him.

Mr. President, before beginning my address today, I ask unanimous consent that I be allowed to yield to the able and distinguished Senator from Illinois with the understanding that I do not lose my right to the floor and that when I resume it will not be called a second speech in this legislative day.

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

(At this point Mr. PERCY addressed the Senate on certain nongermane matters which are printed later in today's RECORD.)

Mr. PERCY. Mr. President, I should first like to comment on the statements made by the distinguished Senator from South Dakota, very briefly and simply indicating that should the President ever need to take action in Africa, I think the Congress of the United States and the Senate, that has a particular responsibility in this regard, would be pleased to hear from the President or his representatives the procedures that have been very carefully worked out.

Senator JAVITS has served as a lead member in the Government Affairs Committee. We worked out over a period of many months the new approach to the intelligence oversight activities of the Senate. The procedures are now, I think, such that the President, with great confidence, can reveal to the appropriate Senate committee what he has in mind, or what he would have in mnd, for Africa and, with the due process that has been worked out, he can present this to Congress and to the Senate with the confidence that this approach, and such approaches as he might suggest might be fully taken into account and be addressed.

It would be my hope we could demonstrate and prove the confidence shared with us would be fully respected in the national interest.

But I, having been a strong supporter of the so-called Javits-Stennis War Powers Act, feel that that act certainly does not restrain the President at the present time. He would have an appropriate period of time to take action and then come to the Congress, and the Congress has demonstrated in the past that when an emergency faces this country we can act.

As I understand the other amendments that have been referred to, there would be sufficient leeway to work within those so that the President is not unduly restrained in what he may or may not wish to undertake in Africa.

So I would hope the President would not hesitate to come to Congress and frankly and freely discuss with us under the Rules of the Senate recently now adopted that would enable him to feel that we could be partners in working together with him in the national interest.

A COMPREHENSIVE VIEW OF THE MIDDLE EAST

Mr. PERCY. Mr. President, earlier this year Mr. Robert Adams, a member of

the Washington Bureau of the St. Louis Post Dispatch, traveled widely in the Middle East to report on the political, military, and economic complexities of the region.

Mr. Adams' reports, which were published as a Post-Dispatch series, comprise an excellent view of life in the Middle East and the prospects for peace in that world trouble spot. The reports cover the Middle East dilemma from various points of view: Israeli, Egyptian, and Palestinian.

The series is particularly informative because of the number of personal accounts it contains. Mr. Adams conducted "man-in-the-street" interviews with scores of individuals throughout the Middle East. This aspect of his reports provides rare human insight into the Middle East crisis.

Mr. President, Mr. Adams' Middle East reports are informative, enlightening, and thought provoking. I ask unanimous consent that the series be printed in the RECORD at this time.

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

ISRAELIS PUT SECURITY FIRST

(By Robert Adams)

TEL AVIV, ISRAEL.—Mrs. Dvora Chaiken, grandmother of 10, sat in downtown Tel Aviv on a sunny day and talked of war and peace. A granddaughter in a pink jumpsuit rested in a baby buggy nearby.

All Israel was happy, Mrs. Chaiken recalled, when Egyptian President Anwar Sadat came to Jerusalem. Everybody thought peace was coming. Men jumped in the water fountains for joy.

Now it has changed. She still likes Sadat, she said. But she spoke bitterly of a more recent event: of Black Sabbath, when Palestinian terrorists killed 37 Israelis on March 11.

"We want peace. Every day. Every year. All the Jewish people want peace. Even this child wants peace. But always with the Arabs, they kill and kill. How much can we stand? Our Jewish blood goes like water.

"You know, we don't want to kill anyone. But they come on a Saturday, when Jewish people are out for a walk. They put bombs on the bus. A little child, like this, they killed. They threw him from the window like he was garbage. We don't want to make peace with murderers. If it is going to be terrorists, Israel can be terrorists, too."

Her comments, with their mixture of rage and poignancy, reflect some of the deepest currents of public opinion in Israel today as the Middle East stands at a historic crossroad between peace and war.

Although it is difficult to generalize about any nation of 3,500,000 persons, interviews in recent weeks with scores of Israelis from various walks of life produce these clear impressions:

First, Israelis genuinely want peace. Sadat's dramatic visit last November touched an emotional chord in every household. The wish for peace, for "true shalom," is almost tangible even today. One can feel it, touch it, taste it. After four wars in 30 years, the people of this country passionately want an end to belligerency. They want no more of their sons and fathers, their sisters and brothers, maimed or killed in war.

But even more, Israelis want security. Peace without security would be hollow and dangerous, they declare. Memories of the Nazi holocaust are burned into their collective consciousness. They are not willing to trade the land they captured in the Six-Day War of 1967 for a piece of paper. They are unwilling—especially since March 11—to give the Palestinians a country of their own.

For Israelis, the days ahead are strewn with question marks. Even if Sadat makes peace with Israel, they ask, what about his successor? When Sadat dies or passes from power, will whoever follows him honor his commitment to peace? And what about Jordan and Syria, which have not yet joined the peace negotiations?

Beyond this, Israelis are worried about the United States. They see a shift in the American position from staunchly pro-Israel to a more neutral stance. Many fear that America will sell out Israel in exchange for Arab oil. And some cast a wary eye on President Jimmy Carter, whom they suspect of double-dealing, or of trying to pressure Israel's Prime Minister Menachem Begin into what they regard as unfair concessions.

To be sure, there are political debates going on in Israel. The saying in Tel Aviv is that Israel has not one prime minister, but 3,000,000. There are those who feel that Begin has been too inflexible, that he is missing a historic chance for peace.

But Israelis are determined to make decisions about their future themselves. They resent any hint of American fishing in their political waters. They are prepared to defy world opinion—as in the massive invasion of southern Lebanon which followed the March 11 terrorist attack.

"We have carried the cross on our backs for 2000 years," said Prof. Mordechi Abir, a professor of political science at Hebrew University in Jerusalem, who has fought in three wars. "It is about time that we looked after our own interests."

A balding, articulate man on the hawkish side of the political spectrum, Abir noted how intensely personal every decision is for every Israeli. His daughter, he said, is in a tank battalion in the Sinai Desert. She could lose her life if Israel blunders.

"I begin to feel it in my stomach," Abir said. "This is something the people in the West don't understand. It is not a matter of giving up a few miles here or there. It is a matter of survival."

How deep is the longing for peace? One measure is the euphoria that greeted Sadat's visit to Jerusalem. Israelis still look back fondly, wistfully, on those hope-filled hours.

"We were flying," said Marty Isaacs, social director at the Plaza Hotel in Jerusalem.

"It was like a dream. It was paradise," recalled Danny Abrahm, a 23-year-old psychology student. "Everybody thought peace would come in two days."

"When Sadat came, they said that the Messiah came," said Mrs. Alisa Rosensweig, a Tel Aviv woman with three sons in the Army. "Where is the Messiah now?"

The wars—and the lack of peace—take their toll in various ways. Virtually every able-bodied Israeli man has fought in at least one war. Many in their late 40s and early 50s have fought in all four—in 1948, 1956, 1967 and 1973.

One sees artificial hands in larger numbers than expected. Men speak matter-of-factly of having lost an eye, or a friend, or a brother.

"See this?" said Moses Edy who runs a chain of cosmetics stores in Tel Aviv, showing an ugly scar over his right eye. "I got this in the 1948 war. I was more dead than alive."

He went on, however, to fight in 1956, 1967 and 1973. He has a daughter in the army now.

For Mrs. Rosensweig, wars have produced a family with too many widows. She lost four brothers and sisters to the Nazis in Poland. In the October War of 1973, three of her nieces lost their husbands. Another family member was killed in a helicopter crash after the war.

The absence of peace has given rise to a whole generation that cannot imagine life without wars or rumors of wars.

"We don't know what peace is," lamented Mrs. Rachel Khalouin, 21, whose husband owns a clothing store in the port city of Ashdod.

A group of students at Hebrew University in Jerusalem ponder a life without war. Debbie Weinstein, a 21-year-old art student who is originally from Canada, grapples with the concept.

"I am used to it, in a way," she said of the no-peace existence. "I don't remember anything else. But I am tired of it. I don't want to raise my children in that environment.

"We are so close to them," she said of the Arab countries that border Israel. "We are their neighbors. But we can't speak to them and we can't touch them.

"I think Israel would be like a normal European country if there were peace, because we are very European. But it is hard to imagine, because everything around here is army, army, army."

"If peace comes, philosophy will have a place," Yael Cohen, a philosophy student, said hopefully.

Michael Itah, the 38-year-old owner of a restaurant in Ashdod, had a more prosaic idea of peace.

"I want to go home and sleep without a pistol under my pillow," he said.

He spoke also of the economic benefits that peace could bring—for Arab as well as for Jew.

"All the money we spend on security could go to other things," he said. "We could build schools. We could build better houses. We could develop industry and agriculture. I am sure on the other side it would be the same."

"I would like to see the pyramids," said Mrs. Aviva Ben-Shachar Raveh, a native-born Israeli who runs a public relations firm in Tel Aviv. An energetic, articulate woman, she looks younger than her 50 years.

"I would like to live in Israel the way I would live in Brussels or America or Holland. I would just need a visa to travel. I would love to take my car and go to Giza. I have been 13 times to America. I have never seen the pyramids in Egypt.

"If there were peace, we would not live in such horrible tension. My birthday was Tuesday. And I just heard from my son yesterday (four days later). Can you imagine?"

Would peace help Israel's economy?

"Oh, fantastic," she said. "Israel could share its doctors, its engineers, its technology. The Arabs could share their money from oil. This would really be the land of milk and honey."

"I pay 58 per cent of my wages to the government in taxes," said Alex Sidi, 66, a retired merchant seaman, over a cup of coffee in Michael Itah's restaurant in Ashdod. Much of that goes to the military. More than a third of Israel's gross national product goes for defense. Peace, he said, would mean: "I pay less taxes."

The absence of peace necessitates a standing army. Israel, with its small population, keeps its army strong by one of the toughest draft laws in the world. All able-bodied men must serve in the army for three years, starting at age 18. Women must serve two years. The men stay in the reserves for 20 years after that. They serve 30 to 80 days a year on active duty.

Thus the military cuts a wide swath across Israel's youth. It puts off college and careers two years for women, three years for men. Often it puts off marriage, too.

Miss Orit Swery, pretty even in her olive drabs, is 20. She has been in the army for almost two years. She has the rank of sergeant. Her army career is about to end, and she is delighted. She cannot imagine her life beyond that.

"I get out in two weeks," she said as she hitched a ride in a taxicab on the main road between Jerusalem and Tel Aviv. "After that, it's all a blank."

Two years in the army, she noted, is a long time, although she understands the need.

"You can't run away from it," she said.

"These are the best years," said a soldier named Josef, who is 19. Asked if he is married, he laughed.

"Do you know how much I get? Three hundred pounds. That's $20 a month. How can I afford a wife and children?"

Jean-Pierre Abu Hasera, a Jew who came to Israel from Morocco in 1964, noted that his wife is scheduled to give birth in 12 days. That happens to be the day he is due back in the Army for active duty.

What would Israelis be willing to give up for peace?

As in any democracy, there are political factions, hawks and doves. But a broad consensus seems to exist on some of the crucial issues — a consensus that does not inspire optimism for a quick agreement.

According to a public opinion poll taken earlier this year, 71 per cent of the people opposed pulling back to the pre-1967 borders, even in exchange for peace treaties. By 72 per cent, they opposed giving up the controversial Israeli settlements in the northern Sinai—settlements the United States considers illegal.

On the West Bank of the Jordan River, only 5 per cent favor complete Israeli withdrawal; 44 per cent favor a small withdrawal; 23 per cent oppose any withdrawal at all. Public opinion is thus clearly with Begin in his hard-line stand on these points.

On the other hand, six out of 10 oppose Begin's policy of building new settlements while the peace talks go on. The head-on clash between Begin and Carter on this and other issues in recent weeks may give Israelis further pause about these policies—although overt American pressure would be sure to rally the country around Begin.

Surprisingly, the military in Israeli is no more hawkish than the rest of the population. It may, in fact, be less. Last month, 350 military reservists wrote to Begin asking him to choose peace over land. Eight of them were heroes of past wars.

When Israelis talk peace, they talk maps. Every Israeli carries his own peace map inside his head.

Most Israelis are willing to give up most of the Sinai. It is mainly sand, anyway. But the Israeli settlements in the northern strip of the Sinai, called the Rafiah Salient, are something else. Sharp differences exist on them—and on the West Bank-settlements as well.

"I would love to keep the West Bank and the Sinai. The land is beautiful, and there are emotional reasons. But it does not belong to us," said Myrna Pollak, who runs a book-exporting firm in Tel Aviv.

The Israeli settlers?

"If they are an obstacle to peace, throw them out."

She feels that the Palestinian Arabs have a just cause, but fears that they want all of Israeli back.

"If they were willing to take the West Bank (alone), I would be very happy to wrap ribbons around it," she said.

But another view came from Jankele Jeffet, a cab driver in Jerusalem. If it came down to keeping the settlements or getting a peace treaty, which would he choose?

"If you say to me, which would you rather I take, your life or your heart—what do I say? To take one is to take the other."

Feelings against the establishment of an independent Palestinian state are running high, especially since March 11. Israelis fear that the Palestinians would use it as a launching pad for more attacks.

"Now you have proof in blood," said Mrs. Rosa Goldberg, a mother of two.

"Twenty-one Arab states are enough", said Asher Beulolo, a 39-year-old shopkeeper. As U.S.-Israeli policy differences sharpen, there is an increasing fear that America's energy needs will shape American policy, to Israel's detriment. "Carter should not be scared of the Arab oil," said Alex Elnekave, 17, a student.

How do Israelis feel about Arabs as Arabs?

Aside from the aftermath of Black Sabbath, one finds a surprising absence of hate language. There is suspicion and skepticism and lack of trust. But many accept the Arabs as human beings. They say they could live with them in peace.

Some Israelis have had the intellectual courage to overcome past stereotypes. Mrs. Shoshana Cohen, a secretary in Jerusalem, grew up hearing that Arabs were dirty, untrustworthy. But her daughter, she said, does not share those feelings.

"They teach them differently in school about the Arabs than I learned," Mrs. Cohen said.

Sentiment against Arabs seems to be strongest among the Sephardic, or "Oriental" Jews—those who came to Israel from Arab countries such as Morocco, Algeria, Libya, Syria, Iraq. They make up about half the population of Israel. The other half are "Ashkenazi" Jews—Jews who came to Israel from Western Europe or North America. The Sephardic Jews have had their own, first-hand experiences with Arabs, and some are unpleasant.

But some European Jews have strong feelings, too.

"Never can be peace," declared Moses Edy the shopkeeper in Tel Aviv, who came from Poland. "What the Arabs want and what we want are like south and east. Never can be together. Never can live in peace."

Others are still struggling with their own feelings and with the Middle East's heritage of hate. On a kibbutz at the Dead Sea, on the occupied West Bank, a group of Israeli teenagers were interviewed on a basketball court when they took a break from planting.

"My feelings toward the Arabs will not change," said Claudia Rahimzade, 16. "I know the Arabs killed my cousin in the Yom Kippur War. I may talk with them. But I will not be friends with them."

One of her companions tried to dissuade her. The Germans killed Jews once, he said, but now that was over. Israel was friends with the Germans. You cannot hate forever. Things can change.

"I don't think I will be able to change," she said.

PUTTING TINY ISRAEL IN SCALE

(By Robert Adams)

TEL AVIV, ISRAEL—To Israelis, the most important fact about Israel—and the hardest for Westerners, particularly Americans, to grasp—is the tiny size of the country.

In the Arab world, of course, the view is very different. Despite Israel's small size, it is considered a military giant. It now occupies territory that has been owned by all four of its Arab neighbors.

But to Israelis, the small size of Israel is a central, strategic fact.

In terms that a St. Louis reader would find familiar, the narrowest part of Israel before the 1967 war was only nine miles wide. That is roughly the distance from the Gateway Arch to the near side of Ladue.

Pre-1967 Israel, plus the now-occupied West Bank of the Jordan River, is less than half the size of Missouri. Its population is less than half of Missouri's.

From Tel Aviv to Jerusalem is only 40 miles. That is about as far as from downtown St. Louis to the western edge of St. Charles County. To go from Jerusalem across the occupied West Bank to the Jordan River is another 25 miles. From the river, it is only 25 miles to Amman, the capital of Jordan. One could drive from Tel Aviv to Amman in fewer than three hours.

It is 40 miles from Tel Aviv, in the heart of Israel's population centers, to the occupied Gaza Strip. From the start of the Gaza Strip to the northern edge of the Sinai Peninsula is another 35 miles. Each of those distances is slightly more than the distance from the northern edge of St. Louis County to the southern edge of St. Louis County. By automobile, it is two hours from Tel Aviv to the Sinai. By tank, it would take somewhat longer, but the time would be measured in hours.

From the Lebanese border in the north, to the northern edge of the Sinai in the south, is about 150 miles. That is less than the distance from Hannibal to Cape Girardeau, Mo.

From the Golan Heights in occupied Syria in the north, to the port of Eilat, at the southern tip of the Negev Desert, is 265 miles. That is less than the distance from Missouri's northern border to the bottom of the Missouri Bootheel.

To an Israeli, a St. Louisan trying to put himself in a roughly comparable position would have to imagine himself semi-surrounded by hostile armies in Iowa, Illinois and Arkansas, with nothing west of Jefferson City but a large body of water.

Israelis argue that, despite their military power, the short distances make Israeli cities vulnerable to Arab attack and give Israeli armies no place to retreat, except into the Mediterranean Sea.

"Israel is such a small country," declared Michael Schlesinger, vice president of Hebrew University, who has fought in four wars. "It is hard for people to understand why we are so paranoiac. Some in the media say we are stubborn and intransigent. We rather prefer to be stubborn than dead."

FAMILY'S STRUGGLE TO SUCCEED IN AN ISRAEL PLAGUED BY WAR

(By Robert Adams)

REHOVOT, ISRAEL—What effect does the absence of peace have on Israeli families?

Jon and Sandy Meyer Gershovitz, formerly of St. Louis and now of Israel, can provide some perceptive answers. As a young couple with three children, they feel the pressure of military duty, inflation and general uncertainty on their own lives. As a social worker, Jon has gained vivid insights into the situation's destructive effects on others.

Jon and Sandy are not sympathy-seekers. Like most Israelis, they see themselves not as victims of unpleasant circumstances, but as people struggling to make a living and build a country.

But the pressures are undeniably there. Number one is the army.

Jon and Sandy came to Israel from St. Louis in 1970. They have dual American-Israeli citizenship. And as an Israeli, Jon serves one month a year in the army.

"With the situation in the country I don't begrudge the service," Jon says. "But if peace really comes, I wouldn't be sorry to kiss my army days goodbye and recall them fondly. I know very few people who wouldn't be deliriously happy to be out."

Then there is inflation. Sandy buys groceries for herself, Jon and their three children: their daughter, Dena, 11, and their sons Shabtai, 5, and Boaz, 22 months.

Last year the cost of living in Israel rose by a budget-breaking 42 percent. Much of that stems from the fact that Israel spends more than a third of its gross national product on the military.

"The prices are like a blur," Sandy says. "When we first came to Israel, I cut out the lists of prices. Finally I just gave up trying to keep track. You have to eat, and so you just do away with the frills and close your eyes when they ring up the bill."

A sharp jump in prices last fall—when the Israeli pound dropped overnight from 10 cents to 7 cents in value—pushed the Ger-

shovitz family into the red. Every Israeli was hard hit.

The bank lets them overdraw, although the bank charges for that service. "I couldn't believe the prices I was paying for children's clothes," Sandy says. "We used to be in the black. In America I never had overdrafts. It was such an embarrassing thing. It was seven years before I could get used to writing a check when I knew there was nothing in the account. But when the kids need a new pair of shoes . . .

"We're living in the red. We hope someday to catch up."

Like most Israeli families, Jon and Sandy own their own apartment. They bought their two-bedroom apartment in 1972, on a mortgage, for 70,000 pounds.

One of the few good things about inflation is that it is kind to those who owe money. Jon and Sandy now pay about 250 pounds a month on the mortgage, or about 15 dollars a month in American money. It is only 5 percent of their income.

Food, however, takes up 50 percent of their income. The Israeli government subsidizes some products, such as milk, bread, flour, eggs and frozen chicken, which helps, although the amount of the subsidy can vary.

"I stick to the subsidized chicken and every once in a while some hamburger, just to spice it up," Sandy says. "I try to use all my fish recipes. We hate fish, that's the trouble." The family eats lots of tuna and cheese, and there is less soda pop and fewer snacks for the kids.

Aside from inflation, some things simply cost more in Israel than they do in the United States. Israel imports virtually all its oil, and gasoline is now about $1.66 a gallon.

"It hurts," Jon says. "In the United States, we saved about 10 percent every month. Here, we're in debt."

Last month, Sandy took a part-time job as an English teacher to help with the family budget.

Then there is the unknown. Will there be a fifth major war? Will Jon have to fight in it? They don't live in constant fear of attack, Jon and Sandy say, but the uneasiness always lies beneath the surface.

The uncertainties of life in Israel were vividly brought home on March 11. Palestinian terrorists attacked along the coastal road between Haifa and Tel Aviv, killing 33 Israelis.

"It was just horrible," Sandy says of that day. "We had been on that road a million times. It could have been us."

Other families, Jon believes, feel the strain even more. "I see families under pressure—financial pressure, or the father being out of the home a lot," he says. "I find these pressures take their toll.

"I was in Ashdod yesterday for a staff meeting. In the middle of it, a guy knocked on the door. His 72-year-old father was with him. The father was building up to heart trouble again. His other son lives in Haifa, and when this son is in the army, he can't look in on his father every day.

"That was yesterday's example. There's a couple I'm seeing for marriage counseling. The problem is that the wife is attracted to other men—and then the husband has to go into the army again.

"There are people who are self-employed. Say you're in a service business. You repair machines. Your clients are used to calling you at home. But you're away in the army. So the client starts with somebody else. When you get back, maybe he'll come back to you and maybe he won't. Every time, you take that risk.

"I know a psychology student who was doing an experiment. He had it all carefully worked out. He'd get almost to the point where he had the rock to the top of the hill and then, bang, in the army again.

"It's almost a subliminal thing. In the nursery schools, they teach kids not to pick up strange objects because of the possibility of booby traps."

Then, of course, there are the wars. Jon was not involved in the recent Israeli invasion of Lebanon. He was a volunteer in the October 1973 War, screening soldiers for shell shock.

"We saw some terrible, terrible heartbreaking things," he says. "Two of my former students were killed. Everybody in this country, bar none, is related to somebody, or knew somebody, who was killed in a war."

Along with other Israelis, Jon and Sandy were outraged by the March 11 terrorist attack. "I was very, very, very angry," Jon says. "If I could have gotten my hands on those people, I think I would have loved to have wrung their necks. That was my first feeling. I can't accept the approach of killing for political reasons."

They support the Israeli invasion, although they regret the civilian casualties among the Lebanese in that operation. Of the terrorists, Jon says: "If they're going to kill me, and I think they would be happy to, I'm glad the army went in and killed 300 of them."

They realize, however, that world opinion did not favor the invasion. "World opinion is a very strange thing, in my opinion," Sandy says. "Someone sitting in, say St. Louis, would think it's terrible for families to be killed coming home from a picnic. But they live very far away and it probably won't happen to them. I take it more personally. over it? But the connection is very clear to over it? But the connection is very clear to me. I think no matter what world opinion says, Israel has to make her own decisions."

Both hope that Anwar Sadat's peace initiative will someday bear fruit.

"I watched him come off the plane, and I remembered watching Neil Armstrong land on the moon," Jon recalls. "So I guess we thought he'd bring the moon home with him.

"I think it may take 10 or 15 years. But I think a process has been started that's inevitable, at least with Egypt."

Sandy was born in St. Louis. She went to school in University City and graduated from Washington University. She taught in University City schools later. Jon worked at the St. Louis Jewish Community Center from 1964 to 1970. They still feel culturally American, although somewhat removed, after eight years, from American life.

Both come from families with a strong Jewish tradition, which figured in their decision to become Israeli citizens. Jon is director of social work services at the Kaplan Hospital in Rehovot, and finds the job particularly rewarding because social workers are in short supply in Israel. They were going to work in Israel for a year. They decided to make it a lifetime. "We're at home here now," Sandy says.

WEST BANK SETTLERS: "THIS IS OUR LAND"

(By Robert Adams)

OPHRA, On the West Bank.—The setting is quiet and pastoral. The rugged beauty of the Judean hills seems to enfold the houses.

Clothes hang from the lines on a gray, overcast day. Small flower and vegetable gardens grow beside the road. Birds are singing in the cool breeze. In the near distance, a baby cries.

On the surface, there is nothing controversial about this small, farm settlement. But because it was built by Israelis on the occupied West Bank of the Jordan River, Ophra—and the 72 other settlements beyond the old borders—is in the thick of a controversy between Israel and its Arab neighbors.

In the middle of that controversy are the 9,300 persons who live in the settlements. Probably no other group of Israelis stands to be affected more immediately by any peace agreement—or by the absence of one.

The settlers thus represent not only one of the major political problems of the Middle East, but one of its human stories as well. And whether others share their special perspective, the settlers have views with a significant influence on Israeli politics.

Those who live in the settlements strongly defend their right to be there. They reject President Jimmy Carter's description of the settlements as illegal. They deny that the settlements are an obstacle to peace. Rather, the settlers view themselves as pioneers, creating farms and towns where there was sand and wilderness.

They worry about whether their countrymen will sell them out in a peace agreement. Many say they would move back into Israel proper rather than submit to the sovereignty of Egypt or Jordan or Syria. But some say they would try to stay at all costs.

Their justifications for building the settlements vary. In the Golan Heights, security is the main concern. The settlements provide a buffer zone between Israel and Arab armies. In the Sinai Desert, the justification is security plus economic development. On the West Bank, security is mingled with a religious fervor to claim what some regard as ancient Jewish land.

"It is not a question of security at all. This is our land," declared Edna Factor, a young mother of three children at Ophra. "And we want a few million more Jews to come and settle here.

"The Arabs have 20 countries. The Jews want only a little place in the world. So I don't think you can say it's unfair to the Arabs for us to be here."

Mrs. Factor talked scornfully of a possible Palestinian-Arab state on the West Bank and in the Gaza Strip.

"They say there is a problem with the Palestinians," she said. "But they say it only for the last 10 years. Before 1967, the Arabs had the West Bank. And they never thought about making a homeland for the Palestinians. Only after we come here."

The occupied territories were captured by Israel from Jordan, Syria and Egypt in the Six-Day War of 1967.

A Palestinian state, Mrs. Factor fears, would be only a first step.

"The next step is all of Israel. But this is Israeli land. It is simply our land. It does not make any difference if a few Arabs live here," she said.

The settlers use the Biblical names for the West Bank. They call it Judea and Samaria. They base their claim to it on the fact that Jews lived in this land centuries ago. Historically, Jews have felt that it is not enough simply to possess land. They must till it, cultivate it, build houses on it.

Significantly, Israeli Prime Minister Menachem Begin also speaks of "Judea and Samaria." He angered Carter by contending that United Nations Resolution 242—which calls for Israeli troop withdrawals—did not apply to the West Bank. Begin speaks of the Arabs who live in Gaza and the West Bank as "the Arabs of Eretz Yisrael"—the Arabs of Greater Israel.

Demands that Israel give up the West Bank "is like saying: 'We will make peace with you, if everybody cuts out an eye,'" said Debby Hirsch, a 17-year-old teachers' aide at Ophra. "That is the way we feel about Judea and Samaria. It belongs to us. It is ours. It is part of our bodies—the land of Israel.

"Turn it around. We will tell (Egyptian President) Anwar Sadat: 'We will not attack you, if you will give us back the land beyond the Nile.' But nobody thinks of it that way."

Others make still another claim on the land. It is what Americans might call "sweat equity." The settlers have worked the soil, put up houses, brought in technology. Doesn't this, they ask, give them some rights?

"In this area of Ophra, before 1967, there was nothing done with this land," said Naaman Lourie, 29, who runs the community kitchen in Ophra. "Some people have this fallacy that we have taken away this land from the Arabs. No Arab ever lived here.

"In 1975, when we came here, there was nothing. It was barren. There were a few shells of homes, which the Jordanians never finished. We turned them into homes for people."

Lourie said he thinks that giving back the West Bank would bring war, not peace.

"America talks about guaranteeing a treaty," he said. "But the only guaranteed security is ourselves. Security is really people. Villages, towns, people."

About 40 families live at Ophra. They hope to have 15 more by summer. The settlement is a moshav, a kind of collective farm. Each family grows its own crops, but much of the buying and marketing is done in common. Ophra was founded in 1975 with the help of the Gush Emunim, the ultra-nationalist "Faith Bloc" that has been promoting West Bank settlements.

The moshav has a chicken coop, some plum trees and a honey-processing shop. The houses are yellow buildings of prefabricated concrete. They are not luxurious, but they have gas, electricity and running water.

Four out of every 10 adults who live at Ophra work elsewhere. They commute to Jerusalem, about 10 miles to the south—behind the old borders.

A synagogue is in the center of Ophra. Not far away is the elementary school, where children from Ophra and some nearby settlements go to classes.

The tops of some of the buildings have guard towers. The residents take turns standing guard every night. Most of the adults keep rifles at home.

"Don't forget, we are all alone here," Miss Hirsch said.

Besides agriculture, Ophra has light industry.

Avi Friher, a teen-ager, grinds metal pieces in a welding shop, sparks flying. Nearby, Moshe Hoffman works on a metal stamping machine. He is making parts for motor mounts to be used by the Israeli Army.

In another workshop, Ayala Kapach runs a silk-screening operation. She is wearing an ink-stained smock, as she puts blue ink labels on yellow hospital gowns.

Why did she settle in Ophra?

"I lived in Jerusalem," she said. "We felt we wanted to do something—not just go to school, to buy, to go to the movies, and that is all. And so we went to the Gush Emunim. And we decided to come."

Mrs. Kapach has five children. Her oldest son will go into the army in a few months.

"So we hope, all of us, that there will not be war," she said.

She is against giving the conquered lands back.

"I think, every place a Jew is sitting, I don't think we have the right to give back," she said.

"You know we believe in God. And so we say: 'Yeheah tov—it will be good.' We hope it will be good.

"I have been through four wars. I was a child in Jerusalem in 1948. We live with this: There can be a war. Our husbands are gone for one month every year to the army. It belongs to the life.

What would happen if Began signed a treaty giving up the West Bank?

"He would lose his majority," snapped Miriam Tenami, as she hung clothes out to dry. "You see what we have here to give up. It is so small. Ask Jimmy Carter if he would give up his land for peace."

"I don't want to think about it," said Debby Hirsch. "Realistically, you can say they will sign the document, and that is what it will be. But you can't forget that we have made all these sacrifices. We are staying here. We will never reconcile ourselves."

At Maale Adumim, another West Bank settlement, Shoshana Spalter explained why she settled beyond the 1967 borders.

Her husband's brother was badly wounded in the 1973 war, she said. He was 50 percent disabled. She and her husband wanted to make a sacrifice of their own to help Israel achieve security.

"We decided we needed to have a belt of settlements around Jerusalem," she said. "There was a very bad war right here. Jordanian soldiers were here. Everybody remembers it. So that is why we settled here."

Her brother was in two wars. So was her husband. Her father was in a war. Other brother-in-law, she said: "He was so young. Fifty percent disabled. You can see them in every family.

Mrs. Spalter teaches 25 perschool children. Her son, Yehuda, she said proudly, was the first baby born in Maale Adulmim, which is several miles east of Jerusalem. As Mrs. Spalter carried a basket of groceries home, she talked about what the continuing uncertainty means to the children.

"They don't know what is peace," she said. "Every child knows what is war. They really don't know what is peace."

She would be willing to return some of the Sinai to Egypt, she said. But she feels that the West Bank and the northern strip of the Sinai are essential to prevent future wars.

A similar view is expressed by Ely Tirosh of Maale Adumim, a member of the central committee of all the settlements. Tirosh is in the Hirut wing of Begin's right-wing Likud Party.

"The day Begin gives up the settlements for a peace treaty," Tirosh said, "that might be his last day as prime minister."

He noted that his party believes that both banks of the Jordan River—east and west—belong to Israel.

He summed up his feelings in a proverb: "There is an old saying of the prophet: 'The lamb will lie down with the wolf.' I say: 'Yes, but I wouldn't want to be the lamb.'

"I don't want to be the wolf, either," he said with a smile. "But certainly not the lamb."

The Israeli government's policy on the settlements has been one of the biggest running controversies of the faltering peace talks. Last January, bulldozers began moving sand at new places in the Sinai, even as the talks were going on.

Begin said he was not building new settlements. He said he was simply strengthening old ones.

That explanation drew private ridicule from many, including some Israeli officials involved in building the settlements. An inspection by the Post-Dispatch at the time showed that some of the outposts being constructed were more than 15 miles from the settlements that they were supposed to be strengthening.

A little later, the government was red-faced over an incident at Shiloh. Israeli officials said an "archeological dig" was being started at that ancient site on the West Bank. But the people working there said they knew nothing about archeology. They had arrived to live there.

Political opponents of Begin at home, and press and public comments around the world, condemned the move as a subterfuge that jeopardized the peace talks. After the recent Israeli invasion of southern Lebanon, there were jokes that an archeological dig would be started there.

What do Israelis behind the pre-1967 lines think of the settlements? Public opinion polls show that the vast majority of Israelis oppose a complete pullback.

Friends and relatives behind the old borders have lobbied intensely for the settlers. But there is a feeling that, if the settlements were the only remaining obstacle in the way of a real peace agreement, many would swallow their objections and tell the settlers to move back.

One view is summarized by David Shoham, a banker in Tel Aviv.

"It was a desert," he said of the northern Sinai, "and if we leave, it will be again a desert. Most of the people feel that the settlements will stay."

The other side is expressed by Mair Hyman, a 21-year-old student of social work at Hebrew University in Jersusalem.

"My favorite quote is the one from the lady in a magazine, who said: 'I did not come from Miami Beach to live in Egypt.' My question is: 'So why did you settle in Egypt?' " he said.

"I am willing to die for this country. I am not willing to die for the settlements," Hyman said.

As the debate goes on, so does the human story.

Renne Katchelkovitch, who lives in the settlement of Yamit in the northern Sinai, was born in Estonia. His father was in Stalin's prison camps. His family was twice exiled to Siberia. He arrived in Israel in 1972. He is 42, and he has a wife and son. He does not want to move again.

"If I believed I had to pack my bags and leave here to let all the people live in peace, then I would make that sacrifice," he said. "But I don't believe that would do it.

"It is hard to understand how much we would like peace. We never had it in Russia. We never had it here. It is a dream—to live a quiet life with open borders.

"It is impossible to achieve that by one-sided concessions. Words are not security. I come from Estonia. We had no international guarantees there. Now there is a government in exile of Estonia, and there are ships that sail with the Estonian flag. But there is no state.

"If we (Israelis) were to lose in a war, it would be the physical destruction of the people who live here. It would be another Holocaust," he said

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Poor Egyptians Are Rich With National Pride

(By Robert Adams)

Cairo, Egpyt.—Anybody who thinks Egypt is desperate for peace because of its poverty might want to meet Mohamed Anwar Hashim.

Hashim is 28 years old. He is in the army now, but before that he worked in a textile factory and plans to work there again. He lives in the Helwan industrial area south of Cairo. Helwan was a major center of the riots that killed 79 Egyptians in January 1977 when the price of basic commodities went up.

Like other Egyptians, he acknowledges that his people are poor. But also like other Egyptians, he equates national pride and freedom with the return of Egypt's land from Israel. They will not trade their land, Egyptians say contemptuously, for a crust of bread.

"If I want to live as a free man, I may have to go hungry," Hashim said in an interview at a coffee shop on Sharia Mansour Street in Helwan. "Freedom has a price. We can be even more hungry than we are now. But we have to have freedom.

"If we don't get our lands, we shall fight. If the peace efforts fail, we shall fight until we get our territory back, as the Vietnamese continued to fight until the Americans got out. Even if we have to live 20 years like the

Vietnamese, we won't give up the land. I would rather die than give up the land."

As Egyptians consider their future in the aftermath of Egyptian President Anwar Sadat's peace initiative and trip to Jerusalem last November, a man-in-the-street consensus is clear on several points. Interviews with scores of Egyptians from various walks of life, as well as diplomatic and other observers, yield the following conclusion:

Egyptians are strongly behind Sadat's peace initiative. They admire his courage in taking that surprising step. They scorn the Arabs who reject it. They would even back Sadat if he signed a separate peace treaty with Israel, although the complicated politics of the Arab world will probably prevent that.

At the same time, Egyptians demand the return of their land. They may not care very much whether Syria gets the Golan Heights. They have only limited sympathy for the Palestinians these days. But they will insist on getting every inch of the Sinai, which Israel captured from Egypt in the Six Day War of 1967.

Many in America, Israel and elsewhere point to Egypt's poverty as a strong motive for seeking peace. Some Israelis are counting on economic pressures to force Sadat into making major concessions—such as letting Israel keep control over a strip of land in the northern Sinai. But Egyptians interviewed dismiss that idea. They have been poor a long time, they observe. They would prefer poverty or war to a sell-out.

"I was a soldier in the 1973 war," said Saddah Abd el Ghani Mohamed, 30, a welder at the Egyptian Steel Co. in Helwan. "I saw the war as it truly was, and I saw its bitterness. I'm not scared of war. If war came again, I'm willing to die for my family and for freedom."

He said he favored peace over war. War, he said, only breeds poverty for both sides. If there were peace, Egypt could spend money on rice and sugar and higher wages rather than on weapons. He now makes $45 a month. He has a son and a daughter. But he says convincingly: "We are prepared to be hungry rather than give up our rights."

The unanimity among Egyptians on the return of the Sinai is strikingly similar to the unanimity among Israelis about keeping secure borders. Israel has offered to accept the principle of Egyptian sovereignty over all of the Sinai. It has not agreed to pull out Israeli troops or to give up effective control of the northern strip, where several Israeli settlements have been built.

Sadat's dramatic trip to Jerusalem stunned his countrymen, but they quickly rallied around him. Support for his peace initiative runs deep among Egyptians at all economic and social levels.

"This was the most thrilling political event in our time," said Commodore Hassan Luxor, an Alexandria man who teaches at the Arab Maritime Academy.

"We can see that President Sadat is the most popular man in Egypt in 50 years. He's the man of peace. Everybody is envying him from the other Arab countries. A brave man, really."

"It's a very courageous move," said Sherif Malaty, who runs a gasoline station in Helwan.

"He's a wise leader—clever, brave, and we trust him," said Mohamed Yehia, a young employee of a travel agency in Cairo.

Many Egyptians are disappointed in the response by Israel. They condemn Israel for building settlements in the occupied Sinai. But most do not hold Sadat responsible for that. They blame Israeli Prime Minister Menachem Begin for being too stubborn.

Part of the reason for Sadat's public support lies in his personal popularity. He has liberalized Egyptian life after the 18-year reign of Gammal Abdul Nasser. He has allowed more freedom of the press. He has let some opposing politicial parties develop. He rolled back the price increases after the riots of 1977. He has the common touch.

But part of his support stems also from a traditional reverence for the leader. Egyptians have an almost mystical feeling about their presidents. An aura of the ancient pharaohs hovers over them.

Close observers of Egyptian life note that public opinion in this country can be easily swayed. Some fear that if Sadat could turn his people in favor of peace with Israel virtually overnight, he could turn them to war overnight, too.

This view is borne out by the comments of the Egyptians themselves. Mohamed el Mansouri, 50, runs a travel office in Alexandria. He was asked whether he would support a separate peace with Israel.

"Yes, of course, if the president says so," he said. "If the president thinks it's right, we're with him."

Would Egyptians support Sadat if he switched and declared war? "Yes, Yes, of course. As a people who want to free their land, if the president says that, the people will support him," he said.

In Israel, virtually every able-bodied man has fought in at least one war. Many bear the scars. In Egypt, a much smaller percentage has fought in wars. Perhaps one Egyptian in every half dozen interviewed had been in a war himself. In Israel, the figure is almost one in one.

Draft laws are much less tough in Egypt. Israeli men serve in the army three years, and in the reserves 20 years, depending on their specialty. Egyptians' time in the reserves is much less. Women are not drafted.

But Egyptians bear the marks of battle, too. Farouk Abdul Aziz Abdul Hamid, 30, a baker, rolls up a trouser leg to show an ugly scar. He got it, he said, when an Israeli land mine blew up in the October War in 1973.

In Alexandria, Amir Haridi, 56, who runs the Yacht Club of Egypt, is a former one-star general in the Egyptian army. He wears a pair of dark glasses. He lost his left eye to an Israeli booby-trap in the Gaza Strip in 1956, he explains. The vision in his right eye is poor.

The economic consequences of war—and the absence of peace—have been devastating in Egypt. Money that could relieve poverty has gone for weapons.

Egypt's economic resources are severely-limited to begin with. All but 5 per cent of the land is uninhabitable desert. Egypt's 38,000,000 people are squeezed into Cairo, Alexandria, the Nile delta, and a small ribbon of land along the river. Parts of Cairo have a population density of 250,000 per square mile, one of the highest in the world. Sixty per cent of the people cannot read or write. The average per capita income is $250 a year—less than a dollar a day. At least a quarter of Egypt's gross national product goes to the military.

A typical dwelling for a factory worker in Helwan, where iron, steel, concrete, and textiles are made, is an apartment in the Nasser housing complex. The five-story concrete buildings would remind a St. Louis visitor of the old Pruitt-Igoe housing complex, which became a symbol of urban decay and was finally torn down.

The Nasser complex is crowded and dirty. Goats and chickens run in the streets. Clothes hang in many of the windows.

Mrs. Om Nashet, mother of nine, lives there with her family in two small rooms and a hall. Her husband works at a can company in Helwan. They own a goat, some ducks, and 10 chickens. Their apartment window is crammed with baskets where the chickens are kept.

For breakfast, Mrs. Nashet said, her family usually has ful, a popular Egyptian dish made with beans. For lunch they have potatoes. For dinner they have bread, white cheese, and halawa, a sweetened meal. Once a week they can afford meat with lunch. Her husband makes 50 pounds, or $75, a month.

Americans would call her family poor. But Mrs. Nashet insists that she gets along. "We don't need anything," she said. "We're all right." She wants peace, she said, not for economic benefits but so that her children won't fight in wars.

Aside from a simple desire to live in peace, Egyptians cite another incentive for seeking an agreement with Israel. That is the Soviet threat in Africa. The Nile River, on which Egypt's life depends, rises in Ethiopia, where the Russians have penetrated. It flows through the Sudan, where the Russians are said to have sinister intentions. Egyptians don't like Soviet meddling in an area so vital.

"We've had an experience with the Soviets. It was rather a sad experience," said Samy Nashed, 65, a retired government official, referring to Egypt's flirtation with Russia under Nasser. "We realized that they just want to build up an empire in this part of the world."

Under Nasser, relations between Egypt and the Soviet Union had grown close. The Russians built the Aswan High Dam on the Nile and gave military aid. But Sadat, who became president in 1970 after Nasser's death, threw out the Soviet military advisers in July 1972. Now Sadat refers to the Soviet presence in Africa as one reason why he seeks peace with Israel. If Egypt no longer had to worry about Israel, it could concentrate on keeping the Russians out of Africa.

Egypt today is on a rising wave of Egyptian nationalism. Long gone, or at least submerged, is the pan-Arabism of Nasser. The vast majority view themselves as Egyptians first, Arabs second.

"First, second and third, we are Egyptians," declared Aala Sharshar, a 23-year-old Cairo resident who is in the army and hopes to go into the hotel business later.

"Egyptians were pharoahs at first, not Arabs. We were conquered by Arabs, and that was the beginning of the downfall of Egypt.

"The Jews, they are our cousins," he went on. "I would prefer to marry a Jewish girl rather than an Arab girl if she is not an Egyptian. And I'd prefer to work with the Jews. Many Egyptians have that way of thinking."

He spoke with scorn of the Arab countries that opposed Sadat's peace initiative. "Libya, Iraq, Algeria—they don't weigh a dime," he said. "We don't care about them. After all, Egypt is Egypt. Peace comes from Egypt. War comes from Egypt. If Egypt says white, it's white; if Egypt says black, it's black. And after a while, the others will come along with us."

Nor is there much sympathy for the Palestinian Arabs right now. Palestinian terrorists were blamed for the murder of Yussef el-Sebi, the editor of the Cairo newspaper, Al Ahram, last February.

"After today, no Palestinians! No Palestinians!" Crowds shouted as Sebai's coffin was born through the streets. Most Egyptians echo Sadat's call for an independent Palestinian state. But many think it should be linked to Jordan as a moderating influence.

How do Egyptians view the United States? Many see it as the key to peace. They are counting on Jimmy Carter to put pressure on Menachem Begin.

"I think the United States is probably the only country that can ensure peace in this area," said Adel Mohammed, a 25-year-old Cairo man. "It should bring about a real balance of power in the military, and once that balance is there, Israel will not be able to be aggressive."

"Everything is in the hands of America," declared Naslachah Wahba, a 22-year-old commerce student at Cairo University. "In 1967, what made Israel fight was the weapons that America gave them."

Miss Wahba suggested that maybe America should stop sending weapons to either side. "Why give weapons to both, because they'll only destroy each other? We're losing our souls, and theirs."

Egyptians have a lot to say about Jewish influence in America. Many are convinced that Jews have a virtual hammerlock on key American institutions—businesses, universities, Congress, the press. They hold this responsible for America's continuing support for Israel.

One Egyptian woman thought the Jews had driven Richard M. Nixon from the presidency. Another thought most members of Congress were Jewish.

"I have been in America, and I know the Jews have a lot of influence there," said Mourad Abdalla, an Alexandria businessman, in an interview on the sundeck of a Cairo hotel as the Nile flowed past. "In Congress, in everything. They're too rich, and a lot of congressmen are Jews."

Nashed, the former government official, asserted that on his trips to America people would whisper—he leaned over to show how—"you are from Egypt; we are not free to express our point of view."

How do Egyptians feel toward Jews as Jews? As in Israel, there is a surprising absence of hate language toward the other side. Egyptians have no love for the Begin government. They strongly oppose the building of Israel settlements in the occupied Sinai. But most express a willingness to live with the Jews as good neighbors—provided that Israel is willing to return Egypt's land.

"For 30 years we have been subjected to anti-Jewish propaganda," noted Abdalla Ali Abdalla, 25, a physical therapist. "From 1952 onward, all we heard about the Jews was that they were the enemies and we didn't live with Jews and we didn't know them." All that changed, he said, with Sadat's visit to Jerusalem.

The world view of many Egyptians is summed up by Kamelia Badran, a 23-year-old artist in Cairo. She won a prize, she said, for her painting of the United States and Russian. She drew a sketch of it on a tablecloth with a pen.

The Americans were on one side, and the Russians on the other. There was a crack in the middle. Below each flag there were human skulls. Above each flag, there were planes dropping bombs.

Asked how she would draw Egypt and Israel, she replied: I would draw a dove of peace for Egypt, and a vulture for Israel."

THE BURNING DESIRE FOR PEACE IS HEATED BY TROPHIES OF WAR

CAIRO, EGYPT.—Nabeya and Niemat Darwish are sisters. In an interview at Cairo's Ahli Sports Club, they spoke of Egypt's 30 years of war.

They offered a mournful plea for an end to war and its horrors. But without quite realizing it, they also gave vivid insight into why wars happen—and may happen again.

"Why fight?" Nabeya Darwish asked plaintively at the beginning. "A young man loses one of his eyes, one of his arms, his hopes, his future. Why?

"The authorities have no right to decide the lives and future of families. They have no right to decide what happens to young men. Why a man decides something and then another man goes to his death. Why?

"Believe me, you'll find everyone feels the same as us. I saw on the television the young soldiers. I suffer to see them. Without legs, without arms. The October War—we won. But all lose in war."

Her sister picked up the theme. "Why fight 30 years now. Why?" Niemat Darwish said. "Why should we live in perpetual fear? I saw people who were burned—families and sons. A little land here, a little land there—does that deserve to have war? You lose more than you gain.

"The blind man, the man who lost his stomach, the man who lost his mind, his legs, his hands. And the families of the dead, who came to the Red Cross to see their children. The government used to give the families compensation but they didn't want to take it. They wanted their children. In Israel it's the same thing."

But then the conversation with the two middle-aged women, who had lived in Cario all their lives, turned to Egypt's land. And here the tone changed.

They would not be willing to let Israel keep any of the Sinai Desert, they said. They shook their heads vigorously when asked if they would give up even a small part of the land in exchange for peace.

"Would you like the Russians to have your land?" Niemat Darwish asked. Anwar Sadat had offered enough, she thought, in simply recognizing Israel. "He said in Israel everything he has to say: 'We're human; we want peace."

"We're not cowards," Nabeya Darwish said. "Egyptian soldiers are very brave. Man to man, better. We're ready to fight. We're able to fight.

"We don't want to fight. We want peace. We just want back our land; that's our right. We didn't invite them; they didn't pay. They killed our young men and took it. So just give it back to us.

"The Israelis want to walk like an octopus, spreading out," she said. Making a walking motion with her fingers. "We just want back our land, and we would be good neighbors with Israel.

"Our land is very dear to us. Every inch. If you have a garden, do you like it if someone comes and sits in it and builds in your garden? We're not asking so much. Just to have our land back, that's all. Our men are very brave and our faith is in our God. If we have to fight, we are so, so, so ready.

"But we don't want to," she said. "We would like to give life to others, and have others give life to us."

PEACE IS NOT BEING CALLED A "DONKEY"

CAIRO, EGYPT.—For Ghieth Barakat, the key to peace with Israel lies in the Arabic phrase, "Mota Saaweyeen." It means "as equals."

If Israel will treat the Egyptians as equals, Barakat said, there could be peace. Otherwise, the two nations could never live together. Peace.

Barakat, 28, is a mathematics teacher in El Zagazig, a city in the Nile Delta. He is originally from the area of Sodot in the Sinai Desert. It was captured by Israel in the Six Day War of 1967.

Today, he declared, Israelis feel superior to Egyptians. "They come from European countries and have more advanced technology," he said. "For that reason, they think of themselves as superior.

"They treat the Arabs as second-class citizens, whose thoughts and education aren't as good as theirs. If I had received a better education than my brother, I would not treat him any differently. I would still feel that he is my brother. After all, we're all from Abraham."

Returning the Sinai, Barakat feels, would mean Israel accepts Egyptians as equals. As it is now, he said, his parents live near Sodot, but they aren't allowed to build a new house or even to plant trees.

He said he fled during the 1967 war, hoping to return when the fighting ended. "Now I can only return as a visitor," he said. "If I try to return to live, the Israelis won't let me.

"The Israelis treat each other very, very well," he continued. "They have a great humanity toward each other. But when it comes to somebody outside, the treatment is bad.

"It may seem like a small thing. But among themselves, they would never say, 'You donkey!' With an Arab, it's one of the first things they say. And no Arab can retort to a Jew in the same way, even if he's joking. In a factory, any Jewish worker can call any Arab worker a donkey."

Barakat said he doesn't hate Jews. "My feeling toward the Jews is simply that they have taken lands," he said.

Of Sadat's peace initiative, he said: "It was a lovely moment." It revived his hopes for going to live some day. "I still have high hopes," he said.

PALESTINIAN LAMENT: "WE'RE LIKE A PUPPET"

(By Robert Adams)

JERUSALEM.—Khalil Kader was only 6 years old when it happened, in 1948. The details are still vivid in his memory.

The Israeli soldiers, he said, came in and started shooting in the streets. Bombs were falling on the houses. His parents, their seven children, and various relatives left their Arab homes and their olive trees in the city of Lod.

They wandered in the desert for days, he said. They were hungry, thirsty, afraid. Finally they came to the Gaza Strip with nothing but the clothes they wore. They had to live in tents, and then in mud huts that washed away in the rain. The summers were brutally hot.

"It was very hard for us," he said, "living in a paradise—and then going to live in hell."

Khalil Kader is a Palestinian Arab. He is a member of a group of more than 3 million who collectively constitute the toughest problem of the Middle East. The peace talks between Israel and Egypt broke down last January largely over the Palestinians. Diplomatic officials say that settling the Palestinian problem is the key to peace.

Who are the Palestinians? To many Americans, they are associated with two images: the bomb-throwing Palestinian terrorist, or the refugee living in a squalid camp.

But the Palestinians include many other elements as well—shopkeepers, journalists, students, intellectuals, housewives, ordinary people, struggling for both a day-to-day existence and a national identity.

Technically, the word "Palestinian" means anybody who comes from the ancient land called Palestine. Palestine, as it existed under the British mandate from 1922 to 1948, included all the land from the Jordan River to the Mediterranean Sea. That land includes present-day Israel. It includes the West Bank, which Israel captured from Jordan in the Six Day War of 1967. It includes the Gaza Strip, which Israel captured from Egypt in the same war.

The word "Palestinian" takes in not only those who live there now, but those who fled, and the children of those who fled.

There are between 3,000,000 and 3,500,000 Palestinian Arabs today. Estimates of their numbers in any given place will vary. A U.S. congressional study said there are 400,000 within the pre-1967 borders of Israel; 350,000 in the Gaza Strip; 600,000 on the West Bank; 1,500,000 in Jordan; and 500,000 in Lebanon, Syria, Egypt and other countries.

More than half the Palestinians, like Khalil Kader, are refugees. That means they or their parents left Palestine in the 1947–48 Arab-Israeli conflict—which culminated in open warfare when Arab armies attacked the newly proclaimed state of Israel—or they are refugees from the wars since then.

Some of the Palestinians are twice refugees—they fled to the West Bank or Gaza in 1948, and fled again during fighting in those areas in the wars of 1956 or 1967.

What do the Palestinians want? Most of all, a national homeland. They want a country—within the former "Palestine"—that they can call their own—a demand Israel says it can never accept. Some dream of see-

ing an Arab flag fly once again in Haifa, or Tel Aviv. More realistic Palestinians hope for a nation consisting of the West Bank and the Gaza Strip.

Most Palestinians are not terrorists. But a large majority of those interviewed say they support the Palestine Liberation Organization, or PLO—the umbrella group headed by Yasser Arafat which uses terrorism as a political weapon.

In addition, Palestinians feel increasingly bitter, angry and isolated in the aftermath of the Israeli invasion of southern Lebanon last month. Not a single Arab country came to their aid.

"The people here feel betrayed by the other Arabs," said Prof. Nafez Nazzal, chairman of the Department of Middle East Studies at Bir Zeit University on the West Bank.

"The students are saying: 'They're selling us words,'" said Nazzal, a Palestinian refugee himself. "They just use the Palestinians, as they've used them before. The people here feel they've been deceived by their Arab brothers."

Khalil Kader, who is now a 36-year-old school teacher with four children, has a personal history similar to those of many Palestinians. He spent much of his youth in a refugee camp but got out. He dreams of going back to Lod but knows it will probably never happen.

Arabs and Israelis disagree over what prompted the mass exodus of Arabs from Palestine in 1947–48, which sowed the seeds of today's problems. Arabs say the Jews ran them out. Israelis say Arab leaders told their people to leave. More objective observers say it was a combination. Many may have left simply to get out of the line of fire.

"There was nobody who left of his own accord," Kader said of his own family's flight. "The people were forced to leave under fire." Soon after the Kaders left, their house was hit by a bomb, Kader said.

Quakers gave his family blankets and tents when they got to the Maghazi refugee camp in the Gaza Strip, Kader said. They lived in tents for four years. Then the United Nations build mud huts, but the first rain washed them away. Later the U.N. built permanent houses.

"My father was living very nicely in Lod," Kader said. "When he saw his wife and children living in a tent where he couldn't bring them a piece of bread, he got discouraged and died." That was in 1956.

At 13, Kader, the oldest child, became the sole support of his family. He left school to work. Though he never went beyond high school, he says proudly that all his brothers and sisters went to universities. Kader now lives in a rented house in Gaza.

Like most Palestinians, Kader voices support for the PLO, although he opposes terrorism.

"The PLO is the legal representative of all the Palestinians," he said. "It's the only body that expresses our hopes and aims."

He would accept an independent Palestinian state of only the West Bank and the Gaza Strip, but he wants Israel to grant him the right to return to his old home in what is now Israeli territory.

"It's my land, my home," he said. "No matter what, I feel like a stranger here."

Support for the PLO cuts a wide swath across Palestinian opinion. One finds it among the young and the middle-aged, among intellectuals and working people.

"The PLO represents me completely and wholly," said Akram al Maleh, 17, of Gaza. Of terrorism, he declared: "I agree that if somebody did something wrong to the Palestinian cause, he should get it!"

"Is there anybody who denies his father?" asked Naim Shahed, a 40-year-old truck driver in the Arab city of Nablus on the West Bank, in reference to the PLO.

"It solved our identity problem," said Hama Nahhas, 23, who teaches Arab cultural studies at Bir Zeit University. "People would say: 'Who represents you?' Now the PLO is our representative."

Support for the PLO is particularly strong in the refugee camps, where human misery abounds and the feeling of abandonment is deep.

"Things cannot be solved except through the PLO," a middle-age man living in the Shaati refugee camp in the Gaza Strip said in an interview. "Everybody on the West Bank or in Gaza who says he represents the Palestinians—there's no truth to it at all. Everything that has to do with the Palestinian people is the PLO. Only the PLO."

But politically sophisticated Palestinians draw a careful distinction. They distinguish between the PLO as a symbol, as a rallying point for Palestinian nationalism, and the PLO as a terrorist group headed by Arafat. They are quick to note that Israeli Prime Minister Menachem Begin was a terrorist 30 years ago against the British. Once a Palestinian homeland is established, they contend, the reason for terrorist attacks would melt away.

"When we say the PLO," Prof. Nazzal of Bir Zeit observed, "we mean the Palestinian people who have been living outside of Palestine since 1948. It's not just the fighters. It's the intellectuals, it's the shopkeeper, it's the Palestinian people."

Nazzal said he opposes hijackings and political murders, but understands why they occur. For years, he noted, the Palestinians were peaceful. "And what did the world do to us? We were a forgotten people.

"Unfortunately, only when the Palestinians began to carry a gun, and innocent people are killed, do you begin to hear about the Palestinian-cause. This is one way of announcing to the world: 'We have a just cause. Please, world, hear us.' Before that, they didn't hear us."

At 36, Prof. Nazzal typifies the plight of the Palestinian intellectual. His family left Jaffa, he said, when it fell to the Israeli army in 1948. He lived in East Jerusalem until 1962, when he went to America to study and teach. He stayed in America until 1974.

While he was gone, East Jerusalem was captured by Israel in the 1967 war. "I was refused re-entry," he said. "So I became an American citizen. I'm here as an American with a tourist visa. I'm not ashamed of being an American. But the feeling of being a 'tourist' in my home. . . ."

Although the pro-PLO sentiment seems deep and sincere, there are some who say it is based more on fear than love. At least four West Bank moderates have been assassinated by PLO-type terrorists in recent months.

Rashad Shawa, the mayor of Gaza, is sometimes cited as an example of the power of fear. At one time he was considered a moderate rather than pro-PLO. A couple of years ago the PLO tried to kill him. He has been pro-PLO ever since.

"They probably didn't know enough about me," Mayor Shawa said blandly in an interview in his office in Gaza.

Shawa noted that Israel had forbidden Arabs in Gaza and on the West Bank to form political parties—a policy which some feel left a vacuum for the PLO to fill. "If the people had been given the right to choose somebody else, they might have chosen somebody else," Shawa said. "Now it's far too late."

Above all, Palestinians want a national homeland. They want a flag, a passport, a nation. They reject the "self-rule" offered by Menachem Begin. That plan would create an "administrative council" for housing, justice, education and other services but would leave Israeli security forces in control.

"We want our identity," said Hamada Asfour, a 24-year-old Gaza man who has studied in Egypt.

"I go to Arab countries, and I swear at the Arab countries, because we're not recognized. We don't have an embassy to help us. If an Iraqi and a Palestinian have the same problem, the Iraqi will solve it and the Palestinian won't.

"The most important thing is to have something to take care of us—a shepherd," he said. Would the PLO be a good shepherd? "Of course," he said.

"We want, first of all, self-determination—a sovereign state," said Mrs. Raymonda Taweel of Ramallah, a prominent Palestinian journalist. "We're entitled, like any other people in the world, to have our identity."

In two interviews before she was arrested by Israelis in a crackdown on West Bank dissidents during the invasion of Lebanon, Mrs. Taweel spoke of her own feelings of Palestinian nationalism.

"I was asked last week, 'why did you decide to be a Palestinian? Is it a fad to be a Palestinian?'" she recalled. "I said: I was born during the (British) mandate. My country was called Palestine. I knew that I was a Palestinian. I didn't 'choose' to be a Palestinian. I am a Palestinian.

"They thought that in 30 years people would forget. There would be a new generation. But it's not true. We are one people. How can we forget?" Mrs. Taweel said.

"I sympathize with the Jewish people in the Holocaust," she went on. "They should have their own state. But not on the ruins of Palestine. We are two suffering people. We should learn to live together."

Mousa Jayousi, a lawyer in the Arab city of Nablus on the West Bank, believes most Palestinians would settle for a state consisting of the West Bank and the Gaza Strip, provided it included East Jerusalem. Israel has said it will never give any of Jerusalem back.

"I believe," he added, "that after the establishment of such a state the Israelis themselves would conclude that it's in the interests of both sides to have one secular, democratic state for both of them." It would, he noted, take time.

For Palestinians living in the occupied territories, the first goal is to get rid of the Israeli army. Like any people living under military occupation, these Palestinians despise the occupiers. They strongly resent the Israeli settlements on the West Bank. They tell stories about brutality by the Israeli authorities.

West Bank students demonstrating against the Israeli invasion of Lebanon last month charge that Israeli authorities arrested and beat them. Daoud Taweel, a Ramallah banker and husband of Raymonda Taweel, said Israeli troops knocked on his door with guns at quarter to one in the morning to take his wife way.

Taweel said the Israeli confiscated some film, which his wife had taken of demonstrations that day, and the PLO flag she kept at her house. His wife was still in prison 10 days later. "Somebody comes at midnight and wakes you when you're sleeping—imagine yourself in that position," he said.

Israelis deny reports of brutality. "If you look back in history, I don't think you'll find any (occupation) more liberal than ours," an Israeli official said confidently.

Of the Arabs on the West Bank, the official said: "They accept me. You don't feel any resentment."

The view from the Arab side is very different. A young Palestinian law student on the West Bank, driving this reporter back to Jerusalem one night, saw two Israeli soldiers trying to hitch a ride in the rain.

"They expect me to stop for them," he said derisively.

"They occupy our land," he said with deep intensity. "They drove us off our land. So how

shall we love them? How shall we feel toward them? We just want the Israelis off our land."

But for all their resentment toward Israel, many Palestinians are just as bitter toward their fellow Arabs. Even PLO officials, interviewed in Beirut, admitted that more Palestinians have been killed by other Arabs than by Israelis in the last 30 years. They were mauled in the Jordanian civil war of 1970. They were mangled in the civil war in Lebanon in 1975–76.

Egypt controlled the Gaza Strip until 1967, and Jordan controlled the West Bank until 1967. But the Palestinians who were refugees in those areas stayed in their camps. Neither Arab country tried to set up a homeland for the Palestinians. Diplomatic observers say that Egypt and Jordan—while paying lip service to the idea of a Palestinian state—may actually fear it.

The Palestinians are pawns, and they know it. "We're like a puppet, in a way—moved by other people," lamented Maha Misleh, a 24-year-old woman majoring in business administration at Bir Zeit.

For an illustration, one can go to Damour, a city 15 miles south of Beirut in Lebanon. Mrs. Hadeya Dochy lives there in a concrete house with plastic covering the windows.

Inside, a single light bulb dangles from the ceiling. Mrs. Dochy, wearing a black dress and sandals, says she used to live in Tel al-Zaata, a Palestinian section of Beirut. She got caught in the crossfire during the Lebanese civil war. She finally left with a son and a daughter and moved to Damour.

She was asked what happened in Tel al-Zaata. Her tears needed no translation.

Her mother-in-law pointed to the wall. On the wall were eight photographs. The wall was bare except for them. They were photos of the dead—of the husband and seven children Hadeya Dochy lost. They had been killed in the clash between Arab armies.

"NO MORE MODERATES LEFT," SAYS BETHLEHEM MAYOR

BETHLEHEM.—There are no more moderates left on the West Bank," an angry Mayor Elias Freij declared. "I am including myself."

He no longer supports Egyptian President Anwar Sadat in his attempt to make peace with Israel. "His peace initiative is dead," Freij said grimly. "It is gone with the wind. It was buried under the dead corpses of the Palestinian women and children who were massacred in south Lebanon."

Arabs, the Bethlehem mayor said, must now unite and prepare for war. "There's going to be no peace," he said. "There will be no peace here during this generation, or the generation to come."

The words were a dramatic change from just two months earlier. In February, Freij had sat in the same office and told the Post-Dispatch of his hopes for peace. He was the most moderate of the 24 Arab mayors on the occupied West Bank. He was probably the West Bank's most respected spokesman for peaceful coexistence.

In that earlier interview, he had spoken of trade with Israel, of tourism, of open borders. He backs Sadat in spite of opposition from more militant Palestinians. "I will support any peace initiative by anybody," he said then.

Now it was April. It was three weeks after Israeli tanks, plances and infantry had swept into southern Lebanon. And that event had produced a profound change in the Bethlehem mayor's attitude.

Israel invaded in the aftermath of a terrorist attack by the Palestine Liberation Organization that left 35 persons dead and more than 80 wounded. Israelis said they wanted to clean out the PLO bases in southern Lebanon.

But to Freij, a Palestinian, it was a deliberate and planned attempt to kill Palestinians, many of whom live in refugee camps in Lebanon. "I believe that was Israel's last answer to the peace initiative," he said.

"We tried to be moderates," Freij went on. "I am by nature a moderate man. An optimistic man. I don't believe in violence. But look how we were beaten! And the whole world watching. And now, he said with sarcasm. "The Americans are sending us some old clothes for our people. Some medicine. Some powdered milk.

"The Americans condemned the Fedayeen attack which cost 35 Israeli lives. They didn't use the same language when 2000 innocent civilians were killed in Lebanon."

"I have a question for the Americans," he said. "Do they give weapons to the Israelis for the purpose of invading Arab countries and killing Arab women and children? And where are the 'human rights' about which Mr. Carter speaks so often?

"You ask me why I'm so gloomy, so angry? We expected the Americans to at least condemn the invasion—if not with their hearts, at least with their tongues. But they did neither."

Before the invasion, he said, maybe half the people on the West Bank supported the PLO—although others would have put the figure higher. Now it is virtually a hundred per cent, he said.

Freij said Sadat should now break off his negotiations with Israel. He should begin mending his fences with the other Arab countries. The Arabs should take their money, "which lies sleeping in American banks," and use it to buy the best weapons they can. They should also use the power of Arab oil to squeeze the American economy, he said.

"The Americans must know one thing: They can't write off the Palestinian people," said Freij, an articulate man of 58 who speaks fluent English. "We have to become united and strong. When we are united and strong, we will be able to achieve our rights—either through negotiations or through fighting."

Freij said he foresees changes of government—perhaps by assassinations—in the Arab nations. The new regimes, he said, would be more radical. He predicted "catastrophes and upheavals and changes which will thunder like volcanoes throughout the Arab world."

What happened in Lebanon, he said, would make the Palestinians even more determined.

"You know these tragedies," Freij said. "It's like when you put cast iron into a fire to make pure steel out of it. All these tragedies are going to make pure steel out of the Palestinian people."

TIME BOMB FOR THE MIDDLE EAST FUSED BY PALESTINIAN REFUGEE CAMPS

(By Robert Adams)

SHAATI REFUGEE CAMP, THE GAZA STRIP.—A small boy hops over a stream of sewage trickling through the sand. Ducks nibble at food in an open garbage pit.

Goats and chickens wander the streets along with poorly dressed children. Women wash their dishes surrounded by animals at a common water distribution point. The drab concrete homes often house 12 or more persons in two rooms.

A refugee camp isn't a nice place to visit, and you wouldn't want to live there. The word "squalor" might have been created to describe it. But as many as 600,000 Palestinian Arabs do live in refugee camps—constituting both a continuing human tragedy and a political, social and moral time bomb for the Middle East and for the world.

Bitter arguments have raged over who is to blame for the condition of the refugees. Israelis note that the Arab countries failed to assimilate the Palestinian refugees after they left their homes 30 years ago. Arabs counter that it was Israel and its army that drove the Arabs out of Palestine in the first place.

Others note, and Palestinians confirm, that some Palestinians rejected absorption because it might dilute their Palestinian identity. Whatever the merits of the arguments, the camps, and people in them, are still there.

The Shaati refugee camp is on the Mediterranean Sea in the northern part of the Gaza Strip. Te beauty of the sea is in sharp contrast to the desolation of the camp, where about 30,000 refugees live.

The 61 Palestinian refugee camps in the Middle East are, at least theoretically, under the control of the country in which they are situated. Before 1967, the Gaza Strip and its camps were under Egyptian control. Israel captured the Gaza Strip during the Six Day War of 1967 and still holds that strategic tract of land.

Hence Israel is now responsible for overall administration of the Shaati camp and the other camps there. Services for the refugees are provided by the United Nation's Relief and Works Agency, including food, medical care, sanitation and schools.

Rageb Abu Ryal, 42, lives in the Shaati camp. He has two rooms for himself, his wife, and their three children. He is a fisherman, and says he makes about six dollars a day.

He was interviewed sitting in sand in a new room without a roof which he is building onto his house for drying clothes. His 6-year-old daugter, Nadia, barefoot and wearing a black dress, played with a doll that had no clothes. Like most interviews in the camps, the interview was conducted through an interpreter.

At the time of the Arab-Israeli fighting in 1948, Ryal said, his Father owned 35 acres of land near what is today the Israeli city of Ashkelon.

"We were very happy there," he said. "We were much more happy than today."

Like many Arab families, the Ryals fled when they heard rumors about what Jews were allegedly doing to Arabs.

"People started saying Jews were massacring Arabs," Ryal said. "I myself didn't see anything. But my father heard it from people. So we left. We took only the clothes we had on."

They came south on camels and donkeys. Their first year in the camp was spent living under trees which were strung with paper as a cover. They lived in tents for three years after that.

"What do you imagine?" The sun-bronzed fisherman said of those years. "The wind came and took it (the tent) away. It was very hot in the summer. It was the most miserable way of life you can think of."

In 1969, he said, some Jews came to the camp and said they wanted some laborers to work in Ashkelon. He offered to go.

"When I got there, I knew that it was my land," he said. "And I told the Jews that took us to work that this was my land. I have all the papers saying that I'm the owner of the land. I have them from my father. Now, my land is all planted with oranges.

"Some people didn't want to go to see it," he continued. "Some people went and saw their land and died."

Ryal said he still goes to see his old land regularly. "I go once or twice a week," he said. "I go and make myself bitter and come back."

Life is easier now than it has been, Ryal said. At least he has regular work, and a stone house with a roof of clay. "But life is getting so expensive," he said, referring to the soaring inflation in Israel now. "We're not keeping pace with it. I'm not saving anything."

Asked about the peace talks between

Israel and the Arabs, he said: "Everybody knows what peace means, and that's to return to our land and our homes." He would be willing to go to war to regain his land, he said.

His wife, Miriam, noted that the Israeli government has been building new houses in a "refugee suburb" not far away. The Ryal family, she said, was offered a chance to buy one if they would move out and tear down their present house.

"But we refused to go to a house made by the Israelis," she said. "If we want to leave this house here, we will only go back to our house in Ashkelon."

As he talked, his daughter Nadia brought over a photo of her father and proudly set it in the sand on display. Later, the family had dinner sitting in the sand, eating out of a common dish.

Reflecting the powerlessness felt by many refugees, Ryal said he wanted peace, but added: "Me, myself, what can I decide? I'm sitting her. It's for the big people to decide."

Jamil Rbdo, 18, walked barefoot on the sandy street outside. "I was born in the camp," he said. "There's no future for me."

"Look at our streets here, where you're walking," he said, indicating the poverty and filth around. "This is life. We lived in paradise before. I'm not happy at all here."

"Who do you think would be happy?" demanded Mohammed Jaber, a 63-year-old resident of the Shaati camp. "I have 10 children in two small rooms. Is this fit for any human being? All of us feel the same way. We're miserable and living terrible. What about the boys who want to study? What about the older girl who wants to change her clothes? I have a son who is married and he sleeps with us at home with his wife. A very terrible situation."

Jaber said he once owned two acres and a house in Jaffa. He recited the horrors of flight, of living in tents. He himself does not work. His oldest son, he said, worked until he lost a finger in a machine accident.

He said he supports the Palestine Liberation Organization, or PLO, the terrorist group headed by Yasser Arafat. "It represents the Palestinian state consisting of only the West Bank and the Gaza Strip, which some have proposed as a compromise. Israel has said it cannot accept an independent Palestinian state of any kind.

"How could we be satisfied?" he asked. "My home town is Jaffa. I was born in Jaffa. My father was born in Jaffa. We have many things in Jaffa. We left everything in Jaffa. So to forget about Jaffa is impossible. Even if I stay living a hundred thousand years, I will never forget Jaffa."

On the occasions when he goes to visit Jaffa, he said, his feelings are summed up in an Arabic phrase: "Albi Hazzeen"—"My heart is sad."

Another resident of the Shaati camp, Mrs. Halimi Hassan, lives in two cramped rooms with her five children. Her husband, she said, fled in fear of the Israelis during the fighting in Gaza in 1967. He hasn't lived there since.

She offered her visitors small wicker chairs with no backs. She does her cooking in a tiny kitchen no more than eight feet long and four feet wide. A large stone for making bread rests on the floor.

"This is broken," she said, pointing to a crack in the roof. The roof is made of clay tile, with wood and old tires on top to keep the tile from blowing or rotting away. "We can't repair it. When we sleep at night, rain comes in on us. It's like we're sleeping outside."

The United Nations gives her some flour and other food, she said, but it wasn't enough for her family. "Only the relatives who pity me give me money to survive," she said.

The 61 Palestinian refugee camps are scattered around five areas in the Middle East: The Gaza Strip, the West Bank, Jordan, Lebanon and Syria. Conditions vary from camp to camp, but even the best are poor.

The Shatila refugee camp in Lebanon, just south of Beirut, houses more than 4,000 people. The Palestine Liberation Organization took effective control in 1970 because of the weakness of the Lebanese government.

There is one water pipe to serve every 25 homes or so. The PLO claims that before 1970 there were no pipes at all and women had to haul in water in buckets on their heads.

The streets are strewn with garbage—orange peels, babana peels, scraps of paper, thread, cloth, broken dishes. The walls of the worn-looking houses are speckled with graffiti in Arabic.

On the streets, a woman carries loads in both arms and on her head, a boy eats bread and an orange as he sits amid stones and rubble in a narrow alley. Elsewhere a small child bends over to defecate in the street. Nobody particularly notices.

Mrs. Om Assad, who has eight children, lives in a concrete house in the camp with two rooms and a kitchen. She wears a dress and a white headscarf, and nothing on her feet.

The plaster on the pale green walls is beginning to crumble. As she welcomes her guests, Om Assad carefully wipes the surface of a worn table with a damp cloth.

She was born Lebanese, she explains. But she married a Palestinian, and her children are Palestinians. She now considers herself a Palestinian, too. If the Palestinians go back to Palestine, she and her family would go along. Asked what she thought of Yasser Arafat, she used an Arabic expression that translates, roughly: "He's tops."

In the classroom of a grade school run by the United Nations Relief and Works Agency in the Shatila camp, small children sit three to a desk. The windows look out on lines full of clothes hung to dry. There is nothing on the walls but a green chalkboard and a calendar with incongruous pictures of healthy. European-looking children bathing and brushing their teeth to illustrate good hygiene.

The PLO has a small army sandwiched between the Shatila camp and the Sabra refugee camp next to it. Israelis claim the PLO deliberately puts its guerrilla bases in such places because of Israeli reluctance to hit population centers in its retaliatory strikes against the PLO.

On the west bank, the largest refugee camp is the Balata camp, just south of the Arab city of Nablus. The streets are poorly paved and laundry hangs from lines strung between barrels. As in the Shaati camp, many of the drab homes have television antennas sprouting from the roofs. The TV sets are the only items that would pass for luxury in the camps.

Hassan Darwish, 27, is better off than most in the Belata camp. He teaches physical education at a high school in another camp, and there are two other teachers in his family. Fourteen people sleep in three rooms at his home every night.

His parents fled from a place near Qiryat Gat in 1948. He was born in a tent at Balata. He says he has never seen his parents' land.

His family is sitting on a rug on the floor in a small room, watching television. The walls and ceiling have begun to peel. He has electric lights inside his house, and a phone, and vases with plastic flowers.

"We're much better off than others," he noted. "Some of our houses are like graves."

He was asked if the PLO represents him. "No," he said. "If something is going to represent me, then I have to have my vote in it. At present," he declared, "I think I represent myself."

Outside, a 26-year-old laborer named Salim talks about his own house, into which he says 12 people are crammed. "It's a very sad life," he said.

Fuad Taher, a medical officer with the United Nations Relief and Works Agency who works in the Nablus area, says malnutrition is a problem in the camps. There is a special clinic for children who suffer from it. About 100 children from Balata and the other camps near Nablus are treated there. But the facilities are not enough.

"We're concentrating on infants and those under three years of age," Taher said. "We give them food and special treatment. The adults who are malnourished do not yet come within our scope. But of course there are cases among adults, too."

He estimated that 75 percent of the homes at Balata now have running water, and about 80 percent have inside latrines connected to a general sewage system. He hopes 100 percent will have inside latrines next year.

Before, he said, the public latrines would fill up and people would pump the waste water out into the street. "It was not very sanitary," he observed.

Other UNRWA officials estimate that 94 percent of the people in all the camps now have inside latrines. Waste water from sinks, however, is often piped directly out into the streets. Most homes have access to electricity in some form, either from nearby cities or a private hook-up. But often the service is limited. Electricity may not be available during the day. That means refrigerators must be run by kerosene or butane gas if refrigerators are used at all. At night the electricity may go off after 10 p.m.

About half the families in the Shaati camp are said to have running water in their homes. The figure is 75 percent for Balata. But some camps, like the Deir Ammar camp near Jerusalem, don't have private water lines at all. The nearly 1000 people who live at Deir Ammar, according to UNRWA, have to get their water from 30 public water taps.

An approach now being pursued by Israel is that of creating "refugee suburbs" with new homes. One such suburb is the Sheikh Radwan area not far from the Shaati camp. About 1000 new, one-story housing units have been built in Sheikh Radwan, and 2000 units elsewhere in the Gaza Strip, since Israel began building them in 1973.

The new homes cost the refugees 59,000 Israeli pounds each, or about $3500. Of that, 20,000 is lent by Israel. There is only one condition: When a refugee moves into the new house, he must demolish his old house in the camp.

UNRWA officials dislike the demolition requirement. They say the vacated homes could be used by families still in the camps who are worse off. The Israeli position is that tearing down the houses helps clean out the camps and lets air and light into the crowded slums.

Rafiq Shbeir, a 23-year-old construction worker, moved from the Shaati camp to Sheikh Radwan a year and a half ago. He lives there with his wife, their three children, his parents, and several other family members. He was given two rooms, a kitchen, and a garden outside. He has added two rooms and a hall.

To buy it, he said, he had to borrow 37,000 pounds—about $2200—from relatives. He installed the water lines and electricity himself. His new home is clean and relatively spacious. It isn't paradise, but, he said, "this is better than the house we used to live in."

The new house, however, has not dimmed the family's Palestinian aspirations.

"I own 60 acres of land as Ashkelon," said his father, Yahia Shbeir. "I still have the papers registered in my name. I take all the children once or twice a month and point to each piece of land I own. I want to teach my children."

His son, Rafiq, was asked where he considered home now. It was Ashkelon, he said, "where we left our land."

UN AGENCY, ISRAEL DIFFER ON REFUGEES IN CAMPS

JERUSALEM.—How many Palestinian refugees live in refugee camps?

The figures are a subject of dispute between Israel and the United Nations Relief and Works Agency, which provides services. The UN agency counts nearly 600,000 registered refugees living in the camps. That includes about 197,000 in the Gaza Strip, 77,000 on the West Bank, 170,000 in Jordan, 94,000 in Lebanon and 54,000 in Syria.

But the Israelis say those figures are inflated. They claim the UN agency is slow to take people off the rolls when they die or move out. They also claim some refugees exist only on paper, while somebody else gets the rations. The Israeli figure for the camps in the Gaza Strip, for example, is 180,000—17,000 less than UNRWA's.

One explanation for the continuing friction between Israel and UNRWA on this and other points is that virtually all of UNRWA's 16,000 field staff members are hired from the ranks of the Palestinian refugees themselves. An international staff of 120 oversees the entire UNRWA operation.

Israelis contend that the issue of Palestinian refugees should be discussed in connection with the issue of Jewish refugees from Arab countries. Between 600,000 and 800,000 Jews are said to have left countries such as Morocco, Tunisia, Algeria, Libya, Egypt, Syria, Iraq, Yemen and Lebanon since 1948 as a result of anti-Jewish activities. As many as 300,000 came from Morocco alone, according to Israelis, after mobs sacked Jewish establishments and the government banned Zionist activities.

Jews from these Arab countries are called Sephardic, or oriental, Jews. They and their descendants now constitute about half of Israel's 3,500,000 people. The other half are from western Europe and North America. Unlike the Palestinian refugees, the Sephardic Jews in general don't want to go back. But many feel they deserve compensation for the property they left behind.

An Israeli official said the question of whether Israel should compensate the Palestinian refugees "is bound to the right of compensation for the Jewish refugees." The right of Palestinians to return to their old homes in present-day Israel, the official said, "would be an issue to be negotiated between us and them."

An UNRWA official described his agency's frustration in dealing with the Palestinian refugees. "It proved to be a unique problem," he observed. "Usually, you start with huge numbers (of refugees), and then in 5 or 6 years, no more refugees." The Palestinians, he noted, were never absorbed by the other Arab countries, although Jordan gave them citizenship, and so the number of refugees and their descendants grew rather than diminished.

Historians note that Arab governments felt the Palestinians would lose their feeling of national identity if they were absorbed into other Arab countries. That, in turn, would have made it easer for Israel to survive as a nation.

Some Arab countries, however, are said to fear the creation of an independent Palestinian state almost as much as Israel does. This may help explain why neither Jordan, which controlled the West Bank until 1967, nor Egypt, which controlled the Gaza Strip until 1967, ever tried to set up a Palestinian nation in those areas.

Beyond this, many Palestinians, like Miriam Ryal of the Shaati camp, reject moves to absorb them or move them—unless it is back to their homeland. Some refugees at first even resisted planting trees at the camps. Anything that smacked of permanence was suspect. However impossible it might seem, they planned—and still plan—to return home some day.

ISRAEL'S ARABS FIND THEMSELVES IN TWILIGHT ZONE OF UNACCEPTANCE

(By Robert Adams)

NAZARETH, ISRAEL.—Not all the citizens of Israel are Jews. More than 400,000—roughly one Israeli in eight—are Palestine Arabs.

These are Arabs who kept on living in areas that were taken over by Israel during Israel's fight for independence in 1947–48. Because they were living in the ancient land called Palestine, they are counted among the more than 3,000,000 Palestinians who are at the center of a bitter struggle in the Middle East.

The Israeli Arabs occupy a peculiar and ambivalent position. On the one hand, they enjoy certain advantages as Israelis. They generally hold better-paying jobs than Palestinians elsewhere. They can travel with an Israeli passport. Because Israel exempts them from the draft, they don't have to worry about the army.

On the other hand, they are not fully accepted by either side. Jews suspect them because they are Arabs. Other Arabs distrust them because they are Israelis.

"It's two worlds we're living in," observed Dr. Samir Muammar, a Palestinian Arab physician in the Israeli city of Nazareth.

"One world is our daily life, our work, the people we deal with. I have quite a lot of Jewish patients. I have a warm feeling toward the Jewish people as people. Almost every week I visit the homes of Jews. I visit them; they visit us.

"But when you look at what's been happening since 1948 to your own people"—he was referring to the Palestinians—"it's a completely different feeling," he said.

About 42,000 people live in Nazareth, the city where Jesus and his family lived 20 centuries ago. Virtually all of them are Arabs. Several thousand Jews live in "Upper Nazareth," an area on the outskirts of town built after Nazareth became part of Israel in 1948.

In an interview at his comfortable home here, Dr. Muammar spoke bitterly about what he said was discrimination by Israel against its Arab population. Medical services, he declared, are much better in the Jewish parts of Israel. There are more doctors, nurses, hospital equipment. Arab patients from Nazareth are sometimes forced to go to hospitals in other cities.

"They realize they can economize in the Arab sector more easily, because there will be less complaining," Dr. Muammar said.

Of Nazareth, he declared: "Look at it. It's a can of sardines. There are too many people for the space. That's because of the confiscation of Arab land."

Paradoxically, he said, when he was in medical school at Hebrew University, he was given certain breaks because he was an Arab. Ten years ago he didn't apply for a particular medical job because he thought he'd have no chance. "I never had the guts to discuss it with my boss," he said. "Ten years later, I discovered I was completely wrong.

"We persistently have this insecure feeling as Arabs in Israel," he observed thoughtfully. "Part of it is justified—and part of it is not justified."

Other Israeli Arabs take a more solidly pro-Palestinian position. "The refugees are a piece of me," said Kamal Jabour, 45, a Nazareth lawyer and a Palestinian.

"Even if they're not relatives, there are strong ties between Palestinians all over the world. I carry Israeli citizenship because Nazareth came under the occupation of Israel. No more than that."

"Fifth-class citizens" was his derisive label for the way Jews treat Arabs in Israel. "They don't give any good jobs to the Arabs in Israel unless there's no Jew to fill it up," he declared. Government officials treat Arabs badly, he contended: "They'll never accept what the Arab says his income is. The same with property taxes."

Arabs are allowed in the Israeli army only if they know a security officer who will vouch for them," he said. Arab laborers are paid less than Jews for the same work. Security checks on Arabs at Ben Gurion airport near Tel Aviv sometimes take five hours, with the Arabs having to strip naked to have their clothes searched," he said.

Jabour supports the PLO. "My sons are more radical than we are, and we have to calm them down," he said. "Always life is tense."

The Israeli position is that Arabs in Israel are treated as well as Jews. An Israeli official denied that discrimination exists in jobs, security checks, medical care or anything else. Land is not confiscated from Arabs, the official said, but is sometimes purchased whether the owner wants to sell or not, through a process similar to eminent domain in American cities.

Abdulwab Abas, an 18-year-old Israeli Arab who works at a pizza place in Tel Aviv, said things get uncomfortable after the PLO terrorist raid on March 11 that killed 35 Israelis. "I talked to some Jews, friends of mine," he said. "And everyone sort of looked at me like I did it myself—as if I had killed those people."

The day after the attack, he said, he went to a store to buy a knife. The knife was to prepare food for a picnic. "Somebody looked at me and said: "Why do you buy that knife—to kill someone?'" he said.

Mansour Kardosh, who owns the Kardosh cafe and souvenir shop on Mary's Well Street in Nazareth, is an Israeli citizen but is militantly pro-Palestinian. He supports the PLO.

"I don't consider that the Israeli identity card in my pocket is one of the Ten Commandments given by God," he said sardonically. "Cards and papers don't change the identity of a Palestinian."

Kardosh has been in trouble with Israeli authorities off and on for helping to found a militant group of Israeli Arabs called "Al Ard," which means "the land." Israeli officials acknowledge that there has been an increase in radicalism among Israeli Arabs in recent years. Seven of the 120 members of Israel's Knesset, or Parliament, are Arabs, and four of the seven are Communists.

If the West Bank and the Gaza Strip were turned into an independent Palestinian state, would Kardosh live there? No, he said. He would prefer to stay in Nazareth. Such a state, he said, should be only a first step. Eventually he would like to reunite Palestine. It could become one nation, he said, with Arabs and Jews living side by side in peace.

"There will come a time when both people will find that it's the only possible way to live together for good," he said. But he admitted: "It's a dream now."

DAYAN TRYING TO GET PEACE TALKS RESTARTED

WASHINGTON.—Israeli Foreign Minister Moshe Dayan is pressing the Israeli campaign to halt the sale of American planes to Saudi Arabia while at the same time working with the State Department to get the stalled Mideast peace negotiations moving again.

Dayan had breakfast today with a group of influential members of the Senate Foreign Relations committee, including Frank Church, D-Idaho, who expressed strong opposition Wednesday to the plane sale.

Dayan has also opposed linking the sale of 90 American warplanes to Israel with the 110 other planes going to Saudi Arabia and Egypt under the Middle East aircraft package proposed by the White House.

A spokesman for the Israeli Embassy said Wednesday night that his country "does not want to be part of a package deal."

"If as a result of this position the United States government will decide to punish us

because of our opposition to the sale of the military planes to Saudi Arabia and Egypt and therefore not supply us our planes, then we will have to accept the punishment," the spokesman said.

Church said that the committee members told Secretary of State Cyrus R. Vance that the Saudi part of the plane deal was excessive.

A senate source said an earlier Defense Department study had recommended only 40 planes to modernize the Saudi air force.

The senators are also reported to have said that the sale should at least be postponed until the peace negotiations in the Middle East get back on track.

In the package, Saudi Arabia is to get a total of 60 F–15s, the most advanced interceptor in the U.S. inventory.

PALESTINIANS: THORNY ISSUE

The Palestinian Arabs constitute the thorniest single problem of the Middle East. Between 3,000,000 and 3,500,000 Palestinians are scattered about the Middle East and elsewhere. As many as 600,000 are refugees who live in camps.

The Palestinians are Arabs who live—or whose families used to live—in the ancient land called Palestine. That includes present-day Israel; the West Bank of the Jordan River, which Israel seized from Jordan during the six-day war of 1967; and the Gaza Strip, which Israel captured from Egypt in the same war.

Most Palestinians want to have a nation of their own. Many would be satisfied with a Palestinian state consisting of the West Bank and the Gaza Strip. President Jimmy Carter has said the Palestinians have a right to some kind of homeland. Israel has said it cannot accept the idea of an independent Palestinian state. Some Arab countries privately oppose the idea, too, fearing that radicals like the Palestine Liberation Organization, or PLO, might become the leaders of such a country.

The Palestinian refugee camps, like the Shaati camp in the Gaza Strip shown in some of the photos on this page, are places of misery and hopelessness. Support for the terrorist PLO is strong among many refugees, because they feel they have no place else to turn. Sanitation is often poor in the camps, with sewage water trickling out of the homes and down the street. Many refugees in the camps don't have running water inside their homes. They have to make do with public water taps outside.

In many homes, 12 people are crammed into two small rooms. The best hope for the Palestinians, and others in the Middle East, is a comprehensive peace agreement. The peace process remains stalled, however. All of it is enough to make any man turn to worry beads.

MIDEAST ADVERSARIES TAKE STOCK OF PEACE

(By Robert Adams)

JERUSALEM.—Ahmed Abdulla of Egypt has learned an important lesson about wars: It is the common man who foots the bill.

"Who pays for the wars but the people?" asked Abdulla, a 55-year-old textile worker. "The expense of every gun comes out of our pockets. When a plane comes to bomb a factory, don't I lose out?

"The money that's spent on a plane can build a whole school. It can build a hospital. It can build a factory. It could fix the potholes in the roads."

To be sure, Abdulla—and others like him in Egypt, Israel, and elsewhere—is intensely patriotic. He would rather have no peace agreement than one that might harm his country. But more and more, Arabs and Israelis, are taking stock of the benefits that peace could bring.

And those benefits could be considerable—not only in the sense Ahmed Abdulla mentioned, which involves the transfer of defense money to civilian needs, but also in the broader sense of improving the economies of all parties through an exchange of trade, tourism and technology.

One man who has taken a long look down that road is Avraham Asheri, the deputy director general of Israel's Ministry of Industry, Trade and Tourism. He is cautious about some kinds of predictions, noting that much would depend on the exact nature of the peace agreement—whether it would include all of Israel's Arab neighbors or just one or two; whether it would involve a free flow of goods and people across open borders, or whether limits would be imposed.

But he and other economic experts point to several kinds of benefits that might come with peace.

The first would be a channeling of military money into civilian needs. Right now, more than one-third of Israel's gross national product goes for defense. The figure is 25 percent in Egypt.

A second benefit would be the exchange of Israeli technology for Arab labor. Israel is well known for its advances in making the desert bloom. Those techniques would be valuable in countries like Egypt and Jordan, which are largely desert. Israel is short of manpower to work in its industries, and Egypt has millions of hands with no work to do.

A third benefit would be trade and tourism. Many products manufactured in Israel could be sold in the Arab lands, and Arabs could sell their wares in Israel. Israelis could visit the Pyramids at Giza, and Arabs could visit the sacred shrines of Jerusalem.

Asheri noted that the military burden on Israel is one of the highest in the world. Although neither he nor other Israelis would cast away that country's military strength, the arms budget would probably be cut if a real peace is achieved.

What would the money go for? Better housing, for one thing. "People aren't living in the streets, but many people live in small apartments built 20 years ago," Asheri noted. "People deserve better."

Telephones, for another. "I can tell you there are a quarter of a million Israelis waiting for telephones," Asheri said. Some of them wait as much as four years. "If we could invest more in it," he said, "we could solve the problem in two or three years. But it's not feasible now."

The cost of living soared 42 per cent in Israel last year. At least some of that was because of military spending. More money would also be available for welfare programs if less were spent on the army.

Israel also needs better roads and more buses for transportation. Today, Asheri noted, "we're limiting our investments to what's left after defense."

Beyond this, a peace agreement might provide more hands to turn the wheels of industry in Israel. Although Israel is the most technologically advanced country in the Middle East, its 3,500,000 people do not provide a large enough labor pool. Some 70,000 Arabs from the occupied West Bank and Gaza Strip cross over the border to work every day.

Egypt, which has a population of 38,000,000, has an unemployment rate estimated as high as 25 per cent. Israel needs labor, and Egypt has workers to spare. In some ways, the economies of the two countries would seem to be made for each other. Egypt's labor surplus could solve Israel's labor shortage.

For its part, Israel could pass along its technology to the Arabs. Although Israeli officials are sensitive about becoming the "Ugly Israelis" or being accused of technological imperialism, the Arab countries don't deny that they could use some expertise in making their deserts green.

In irrigation, Israel has pioneered in the use of the so-called "drip system." In this method, small amounts of water drip through devices called "emitters" attached to irrigation hoses. The emitters drip the water right onto the soil next to the plants, with no water wasted. Egypt currently has a major land reclamation project under way to turn some of its sand—95 per cent of the country is uninhabitable desert—into productive land. Egyptian officials say the Israeli techniques could be useful.

Israeli technology in other fields—health, transportation, manufacturing—could also be made available to the Arab countries.

As for trade, Asheri's office has already compiled a country-by-country list of what Israel might buy or sell to the Arabs, and what they might buy or sell to Israel.

Egypt, he said, could offer Israel oil, tobacco, rice, cotton, textiles, some chemicals, furniture, and some kinds of ready-to-wear clothes. Israel could offer Egypt machinery, communications equipment, tires, chemicals and spare parts.

"Many Israeli manufacturers have already found agents in Egypt for their products, and vice versa." Asheri said. "They're waiting for the time when they will be allowed to start doing business."

As for Jordan, Asheri said, Jordan could offer tobacco, textile, leather goods, building materials, and some kinds of fruits and vegetables. Israel could sell Jordan manufacturing equipment, various industrial products and its own fruits and vegetables.

Asheri uses the West Bank of the Jordan River as an example of how trade might develop. Israel captured the West Bank from Jordan in the Six Day War of 1967 and has occupied it ever since. Israel exports such things as pencils, pens, water faucets, concrete, electrical equipment and building materials to the West Bank. Israel buys shoes, fruits and vegetables, clothes and other products from the Palestinian Arabs there.

Arabs from the West Bank provide labor for jobs in Israel. In general, they make more money than they could working on the West Bank, although some complain that they are treated badly by Israeli bosses on the job.

"You can see that the mixing of the two economies gave quite a big benefit to both sides," Asheri said. "We're enjoying more manpower, which we lacked. We're using the agricultural products they have. And they use our industrial products. The end result is a tremendous increase in the standard of living."

For the long run, Asheri talks about possible partnerships between Arabs and Israelis. Oil from Egypt, Saudi Arabia and the Persian Gulf states could combine with Israeli technology to create a thriving petrochemical industry in the Middle East, as one example.

More foreign investment from the United States and elsewhere would flow into the Middle East if there were peace, Asheri believes. Today, businessmen are reluctant to sink big money into plants that might get wiped out in the next war. "There's no question about the fact that people are hesitating," Asheri said. If there were genuine peace, this barrier would be removed.

In Egypt, the economic benefits might be even greater than in Israel. The per capita income in Egypt is only $250 a year—less than a dollar a day. The country's 38,000,000 people are crammed into Cairo, Alexandria and the Nile Delta. The population density is one of the highest on earth, the standard of living one of the lowest.

The population in Egypt is expanding at an estimated rate of 2.58 per cent a year. Birth control is being introduced, but even so, Egypt's population is expected to reach 60,000,000 or more by the end of the century.

Even with its current population, Egypt has so little arable land that it cannot feed its people. It imports wheat and other foods, creating a huge balance-of-payments deficit. An urgent priority of Egyptian President Anwar Sadat is the reclamation of land in desert areas between the Nile River and the Red Sea. Officials in Cairo say Israeli technology could help.

The importance of growing more food for Egypt can't be overstated. In January 1977, when the prices of basic commodities went up, riots killed at least 79 people and forced a rollback. Today, the Egyptian government is quietly raising prices again.

This time it is being done indirectly. The same price is being charged for a package of flour, for example, but the package will contain less flour. Although the vast majority of Egyptians say they would rather go hungry than accept an inglorious peace, a peace agreement would certainly ease the pressure on prices, and hence on Sadat.

One authoritative Egyptian official in the economic field, who asked not to be named, noted that one of Egypt's greatest problems is what economists call "infrastructure." That means things like electricity, water supply, drainage, roads, public transportation, telephones—the basic services needed to make a society function.

Even a casual visitor to Cairo can see why. The traffic jams in that city of 8,000,000 are monumental. The buses are sardine cans. People grab on to the sides of the packed buses in scenes that look like the U.S. evacuation of Saigon.

The telephones are a national joke. It can take 20 minutes to get a local call through because of the inefficiency of the system. Turn on a water faucet, and rust may come out along with the water. The housing shortage is critical, too. Money now spent on arms could ease these problems, although not solve them.

"I think the most important thing might be the transfer of technology," said the Egyptian official, as the sound of honking horns from the noonday Cairo traffic filtered through his open window. "That may cover many fields—agriculture, industry, all kinds of activities."

He also noted that Egypt has a huge foreign debt for a country its size. The most recent figure is 12 billion dollars—almost exactly the size of Egypt's gross national product. That would be the equivalent of a two trillion dollar foreign debt for the United States. As much as a quarter of the Egyptian debt has been financed by loans from commercial banks in other countries at high interest rates. That problem, too, might be helped by a peace agreement.

In addition, Egypt's industrial plants need modernization. There is equipment in the textile plants that dates from the 1940s. Some of the equipment in the steel plants was sent from the Soviet Union years ago, when Egypt was carrying on a political flirtation with the Soviets.

The people who pay the bills in Israel and the Arab lands—while they insist on peace terms that won't compromise their interests—are keenly aware of the lift that peace could give to their standard of living, and to life in general.

"The money that goes into the military can go to economic problems," said Zvi Gilboa, a 22-year-old economics student at Hebrew University in Jerusalem. "And everyone wouldn't be living in fear that tomorrow there's going to be a war."

"Our desert is not so green, but it is better than the desert of Egypt," said Ely Tirosh, who lives in the Israeli settlement of Ma'ale Adumim on the occupied West Bank. "Every Israeli prime minister has said: We can work together in this area. We can maybe use the water of the Nile together. We could help them and they could help us."

"I have a publishing company, but I can't do business with Arabic publishing companies," said Myrna Pollak, a New York-born professional woman in Tel Aviv. "This is a country of only 3 million people, and how many people read books? This isn't just true of my business, but of everybody's business. I don't know if anybody who doesn't live here can understand the sense of claustrophobia that comes from closed borders."

"I think we're going to have a flowering in this country, almost like the '60s in the United States," said Mair Hyman, 21, a Canadian-born student of social work at Hebrew University. "Only not a protest 'against' something. It will be something 'for'—music, art, poetry, travel."

The Palestinian Arabs, too, feel there would be economic benefits from peace, although their highest priorities are getting rid of the Israeli occupation of the West Bank and the Gaza Strip and the creation of a Palestinian state.

"Like the Germans and the French," said Sami Abdel Nour, 29, a shop-owner in the Arab city of Nablus on the West Bank. "They were at war, and now they're living in peace. Maybe for the economy it would be better, because we can bring a lot of investors from the Arab world.

"If there is peace, everything is possible. The Israelis, if they have the know-how, we can mix it together with the Arab oil."

In Egypt, the feeling is similar. "It would be very different," said Khaled Mortagy, 17, a mathematics student in Cario whose father was an Egyptian general during the 1967 war with Israel. "Now Egypt's money is going for weapons. If there weren't war, this money could go for the benefit of humanity in Egypt."

"We have economic problems that nobody can deny," said Abdullah Sodani, 45, who lives in the Hewan industrial area south of Cairo. "We have a terrible housing problem. I hope this will ease off a bit once the wars are over.

"I get 50 pounds (about $75) a month. Only 6 pounds of that goes for housing. But I have four children and I have to take them all to school and at the end of the month, every single piaster (penny) is gone.

"We can't split our resources between military and economic development," he said. Sadat's idea is that we can't build the country—we can't grow—while maintaining such a military budget."

"Of course, it's going to be much better," said Ayaad Brince Mohamed, 37, an Egyptian service station attendant whose wife is expecting their second child. "We're going to be more healthy. There will be more food. There won't be price increases, there won't be wars, and there won't be service in the military. Everything will be good."

Some observers say that peace might not be an entirely unmixed blessing. Like the United States after World War II, Egypt, Jordan, Israel and other countries might suffer some dislocations in going from a wartime to a peacetime economy.

In Egypt, for example, there is already a labor surplus. Half a million men are now under arms. If they were dumped from the army into the job market all at once, the unemployment might temporarily get worse.

In Israel, probably the deepest social and economic division today is between the Sephardic, or "Oriental" Jews—those who came to Israel from elsewhere in the Middle East—the European, or "Ashkenazi" Jews from Europe and North America. The population is split about half and half.

The Sephardic Jews are Israel's have-nots. They are disproportionately represented in lower-level jobs. They make up 50 percent of the population but only 17 percent of the university students. The need to present a united front has submerged the tensions between the two. If peace came, these tensions might bubble to the surface.

Other things might enter Israeli life as well. Drugs, women's lib, the sexual revolution—all have by-passed Israel thus far, as that country's preoccupation with security has eclipsed everything else. If there were peace, Israel might have to deal with them.

"Whatever one does, it's risky," observed Yehezkel Dror, a dovish professor at Hebrew University. "It's a gamble with high stakes. If peace comes, it will bring social and psychological changes. We will have to take a look at ourselves. It will bring problems.

"But," he added with a smile, "I'd rather have those problems."

PLO Offers Israeli Soldier in Return for Prisoner List

BEIRUT, LEBANON.—Palestinian guerrillas say the only Israeli prisoner of war in Palestinian hands will face trial as a war criminal, but the PLO indicates that it might free him in exchange for a list of Palestinian prisoners now held in Israeli jails.

The Popular Front for the Liberation of Palestine-General Command, a small splinter group, took reporters to a secret site in southern Lebanon Thursday to show them Avraham Nissim Amram, the soldier who the guerrillas said was the first Israeli prisoner of war ever captured by the Palestinians.

Amram, 34, who was captured April 4 about three miles south of Tyre in south Lebanon, looked fit and told reporters he had been treated well.

He asked reporters to relay a message to his wife and three children, telling them he was all right and would be coming home soon "with God's help."

The guerrillas who displayed Amram said he had been given an attorney and would be tried on charges of "participating in wars against Arabs, entering Palestinian positions illegally, entering Lebanese territory and committing acts of aggression against the Lebanese and Palestinian people."

However, the guerrillas said the Palestine Liberation Organization, the guerrilla umbrella group of which the PFLP-GC is a member, might be willing to return Amram if Israel gives it a complete list of Palestinian prisoners held in Israeli jails.

Amram's right hand and arm were bandaged where he was wounded just before his capture. He said he was "interrogated" but never beaten or tortured. He said he had been visited three times by a doctor.

Peace—The Political Obstacles

(By Robert Adams)

WASHINGTON.—Although spring has long since come to Washington and to the Middle East, the Israeli-Egyptian peace talks are still locked in the ice of January.

Israeli Prime Minister Menachem Begin is about to arrive in the United States to celebrate Israel's 30th birthday and to have more discussions about breaking that ice.

Egypt, Israel and the United States are still officially upbeat. All three point to the fact that Egypt and Israel are at least talking to each other, although much of it is done indirectly. "The efforts are not dead. They're not even half dead. They're very much alive," an Egyptian official declared.

But when pressed, no one familiar with the peace process can point to any substantive progress in the last several weeks. The Israeli-Egyptian political committee and military committee—which began direct talks amid much optimism last January—are still frozen.

Right now, the most intense efforts are aimed at getting Israel and Egypt to agree on a "declaration of principles" for the peace talks. Egyptian President Anwar Sadat, who broke off the peace talks last January, says he won't resume until a declaration is achieved. But even this modest goal seems hardly any closer today—if at all—than it was in January.

Behind the wrangling over the language of the declaration are sharp disagreements over the most profound issues that divide Israel and the Arabs. They are issues that have figured in four wars in the last 10 years, issues among the most bitterly controversial and complicated on the planet.

The disputes center on two basic points.

First, the land: What would "secure borders" for Israel constitute? Will Israel give back territories it seized from Egypt, Jordan and Syria in the Six Day War of 1967? If so, how much—and with what security guarantees for Israel?

Second, the Palestinian Arabs: Will they be given self-determination? Can a Palestinian homeland be established in the Middle East under conditions Israel and the Arabs can both accept? And who will speak for the Palestinians at the negotiating table?

"You've gotten to a point," observed one U.S. official, "where the euphoria of Sadat's trip to Jerusalem and what happened after it—including expectations that rose much, much too high— are past. You're now in a time when there's just no way of ducking the tough issues. And there are tough issues on both sides."

For Egypt, the dispute over land involves only the Sinai Desert. Israel captured the Sinai and the Gaza Strip from Egypt in 1967, but Egypt has not demanded Gaza back. Because Gaza is populated by Palestinians, the Egyptians assume that the future of the Gaza Strip is tied to the Palestinian question.

But on the Sinai, Egypt is adamant. It is insisting on the return of every inch.

Israel has no problem with giving back most of the Sinai. It consists almost entirely of sand. But a strategic tract called the Rafiah Salient, in the northeastern Sinai, is a different story. That is the area where Israeli and Egyptian tanks roll when one country is attacking the other. It is also the area where Israel has built more than one dozen settlements. The largest settlement, called Yamit, has 1,500 inhabitants, and Israel talks about making it a city of 20,000.

Israel has acknowledged, in principle, Egyptian sovereignty over all of the Sinai. But Israel has insisted on keeping its settlements and on keeping a "security force" there to protect them.

Egypt maintains that this would be a gross infringement on Egyptian sovereignty. The Jewish settlers would be allowed to stay in the Sinai as Egyptian citizens subject to the laws of Egypt, but Egypt refuses to accept the idea of Israeli troops on Egyptian land.

With Jordan, the main point of controversy is the West Bank of the Jordan River. It is here—and in the Gaza Strip—that the question of land runs head-on into the Palestinian question.

Because the West Bank and Gaza were part of Palestine until 1948, the 600,000 Arabs who live on the West Bank and the 350,000 in Gaza are Palestinians.

Jordan and the Palestinians say they should have self-determination. They should vote on whether they want to become an independent state, or develop some kind of link with Jordan, or with Israel. Israeli troops, they contend, must withdraw completely from the West Bank and the Gaza Strip, with interim security arrangements to be negotiated. Egypt takes the same position.

But Israel—which has dozens of Israeli settlements sprinkled throughout the West Bank—has not committed itself to any withdrawal at all. Its position is that the pre-1967 borders of Israel were, and are, indefensible. If the West Bank is given back into Arab hands, the argument goes, it would leave Tel Aviv and other major cities only a few miles from Arab artillery.

The controversy was highlighted by the recent dispute between the United States and Israel over United Nations Resolution 242. That resolution was adopted not long after the 1967 war. Its formula—worded ambiguously enough so that both Israel and the Arabs accepted it—was essentially that Israel would withdraw "from territories" captured in the war, in return for Arab recognition of Israel's right to exist with secure borders. Israel would trade land in exchange for peace.

But the resolution does not call for withdrawal from "the territories" or from "all the territories." It only says "from territories." How much territory? That was to be decided later.

Until Begin was elected a year ago, Israeli governments had said Resolution 242 required at least some Israeli withdrawal on all fronts. Begin's interpretation is different. He has said—in the face of opposition from President Jimmy Carter—that it doesn't necessarily apply to the West Bank or to Gaza.

Added to this is Begin's well-known feeling that the West Bank is part of the historic land of Israel. He calls the West Bank territories by their biblical names, Judea and Samaria. He has allowed new settlements to spring up on the West Bank even as the peace talks were going on.

Earlier this month, the Begin administration further clouded the issue. It said it was willing to negotiate on the basis of 242 with all parties—specifically including Jordan. That seemed to mean that Israel was committing itself to at least some withdrawal from the West Bank. But Israeli officials refused to concede that this was what it meant.

"They implied that 242 might be applicable to all fronts," a Jordanian official commented sourly. "They didn't say specifically that 242 applies to the West Bank." The issue is thus left in a haze of blue smoke and words.

For the Palestinians, Israel has proposed "self-rule." Boiled down, the Israeli proposal is that an "administrative council" be elected by the residents of Gaza and the West Bank. This council would run things like transportation, education, agriculture, health, welfare, and rehabilitation of the Palestinian refugees—as many as 600,000 of whom live in poverty and misery in refugee camps. Residents could opt for either Jordanian or Israeli citizenship. The whole arrangement would be reviewed after 5 years.

The stinger from the Arab viewpoint is this: Israel would not give up its claim of sovereignty over the West Bank and Gaza. And Israel would maintain "security and public order" in those areas. In short, Israel would keep its troops there. Jordan and the Palestinians say they can't accept this.

Beyond this, the parties can't agree on who would speak for the Palestinians at the bargaining table. Interviews by the Post-Dispatch in recent weeks indicate that the majority of Palestinians say they want the radical Palestine Liberation Organization, or PLO to represent them. Israel refuses to negotiate with the PLO or its leader, Yasser Arafat.

With Syria, the main point of dispute is the Golan Heights. Israel seized this land in the 1967 war and has built settlements there. Syria demands the return of the Golan Heights. Israel, noting that the high hills of Golan are an ideal place for firing positions inside Israel, says no.

In Lebanon, Israel still has forces left in the aftermath of the Israeli invasion of southern Lebanon in mid-March. But that situation appears to be cooling off as Israeli soldiers withdraw and United Nations troops move in. It is hoped the "Blue Helmets," as the UN troops are called, will be able to keep the PLO out of south Lebanon.

What is the American role in all this? The U.S. interests in the Middle East are enormous. A major flare-up there could draw in the major powers, pitting the United States against the Soviet Union. America has an historic and a moral commitment to the survival of Israel, which is both a democracy and the strongest military power in the Middle East. America also needs to keep Arab oil flowing. If Middle East hostilities shut off that flow, as they did in the October War of 1973, America would suffer and Western Europe and Japan might face economic collapse.

For a while, the U.S. role was that of "honest broker." Now it is more than that. Alfred Atherton, assistant U.S. secretary of state, has been shuttling back and forth among Cairo, Jerusalem and Washington hoping to thaw the negotiating climate. President Carter reportedly had stern words for Begin during their celebrated face-down in Washington a few weeks ago. But there has been no visible movement from either Israel or Egypt.

A recent event that has caught the eye of Carter and Sadat has been the development of a fledging peace movement inside Israel. "Peace Now" is its name. Not long ago, 350 Israeli reserve officers—some of them with medals from past wars—called on Begin to be more flexible. Groups of Israeli intellectuals—and, significantly some influential American Jews—support the move. Last Wednesday, hundreds of Israelis carrying signs that read "Peace Now" in English and Hebrew demonstrated along the main highway between Jerusalem and Tel Aviv.

Cairo and Washington are hoping the movement will put enough pressure on Begin to force some concessions—at least enough so that Israel and Egypt can agree on a declaration of principles. But Begin's main bloc of grass-roots support in Israel—the Sephardic Jews, Israel's have-nots—haven't joined the peace movement.

Begin is even under pressure from some in the rightwing Hirut wing of his own Likud Party for having "given up too much" to Sadat. Whether the peace movement will emerge as a major force in national politics, as the anti-Vietnam War movement did in the 1960s in the United States, is open question.

The most optimistic scenario being sketched by diplomatic observers for the Middle East runs something like this: Pressure from Carter and from the peace movement nudges Begin toward concessions on territorial withdrawal and on the Palestinians. A declaration of principles is agreed on. The direct talks between Egypt and Israel pick up again.

The declaration is broad enough to let Sadat claim that the Palestinians and the other Arab countries are taken care of. Then Sadat proceeds to negotiate an agreement on the Sinai. Jordan, which has stood on the sidelines, decides to enter the talks. Syria, which has rejected Sadat's initiative, finds it has no choice but to negotiate. Eventually, treaties are signed guaranteeing the return of the land, open borders, free trade, and some kind of arrangement for the Palestinians.

But the road to such a happy state of affairs is as rock-strewn as the Judean hills. And there is an uneasy sense that time may be running out.

Atherton touched on the latter point in a speech April 5 in Atlanta. "There are strong forces," he said bluntly, "forces of historical distrust and suspicion, of bitterness and violence, of national ambition and ideological commitment, of perceived injustices on both sides—which are working against the success of all that we and our friends in the Middle East are seeking to achieve. And time is on their side, not ours."

Privately, many diplomats wonder how longer Sadat can go on without some tangible results. His man-in-the-street popularity remains very high, and there is no vocal opposition at home. He has dismissed his

critics in the Arab world as "dwarfs." And the Egyptian people have rallied around him.

But there is always the chance that if Sadat doesn't achieve success soon, things could take a dramatic change for the worse. What if Sadat were assassinated, or died, or was overthrown in a military coup? His successor might be far less open to peace.

In addition, Jordan's King Hussein, once considered a moderate, has seemed to take a tougher stand lately. Israel, he told the newspaper An Nahar in Beirut, isn't interested in peace. Therefore, Arabs should start gathering arms. Palestinian bitterness, already high, soared after the Israeli invasion of Lebanon, which took many Palestinian lives.

Some observers point to next October as a possible moment of truth. That is when Israel and Egypt must renew their approval of the stationing of United Nations troops in the Sinai in accord with the interim disengagement of 1975. If Sadat has not achieved real results by then, some fear, there may be increasing pressure on him to turn tough.

In Egypt, a 25-year-old Cairo man named Adel Mohammed summed up the uneasiness.

"If this opportunity isn't taken," he said of the Sadat initiative, "I don't think there will be an opportunity in the next 20 or 30 years. This man can come only once."

A REPORTER'S NOTEBOOK

(By Robert Adams)

It was 7 o'clock in the morning. I had checked out of the Jerusalem Plaza Hotel and settled into the back seat of a cab for the hour's ride to the airport. I was bound for Cairo.

The driver turned on the radio. Would I like an English-language news broadcast? He asked. I said yes.

I dozed, half-listening. Suddenly the words cut into my slumber: "Police today were seeking the murderer of Abdul-Nur Khalil Janko, a prominent businessman on the West Bank. Janho was shot to death last night . . ."

I sat up, startled. My God, wasn't that the man I had interviewed just 14 days ago? I listened for details.

Janho was a widely known Arab moderate. He was also a controversial figure. Only two weeks before, he had sat in his store telling me how it felt to be trapped between the Israelis on the one hand and the terrorist Palestine Liberation Organization on the other. He had spoken out for co-existence with Israel, and the PLO had threatened to kill him. He had warned of a vicious circle of violence that could last till doomsday.

Now he was dead—the PLO was claiming responsibility.

I sat stunned for perhaps half a minute.

"How fast," I asked the driver, "can you get me back to Jerusalem?"

It was a jarring introduction to the stark and brutal uncertainties of the Middle East. Life and peace are never sure anywhere, but they are decidedly unsure in that part of the world. A man, a building, a city—all can be wiped off the planet overnight, and while I was there, some were.

I didn't go to Cairo that Thursday. I checked back into the Jerusalem Plaza—I could almost hear the desk clerk thinking that all Americans are half-mad—and wrote a story about Janho. The next day, I talked to his son and to his widow.

I talked to other Arab moderates, too. Their response was not only sorrow but anger. Someday, said Janho's son, Khalil, people would run the PLO out of the West Bank as if they were wild ducks.

Three days later, I finally got to Cairo. One of the people on my list to call there was Ussef Sebai, the influential editor of Al Ahram. Before I could call, he, too, was murdered by Palestinian terrorists.

Another day, another taxi. Night this time.

I was riding from Nazareth to Tel Aviv with Lester J. Millman, an American free-lance photographer who lives in Israel. We had spent three grueling days doing interviews and taking photos in Palestinian refugee camps. Tomorrow would be a quiet day. Maybe a day of rest.

As we approached Tel Aviv, we realized something was wrong. The main road was blocked. An Israeli civilian was standing there with an M–16.

We asked what happened. There had been a terrorist attack, one of the guards answered. A bus had been hijacked. Some of the terrorists had escaped. They were thought to be roaming in northern Tel Aviv—in the area where Lester lived.

It was Saturday night, March 11, a date that was later to be called Black Sabbath. Palestinian terrorists had seized a tourist bus on the road north of Tel Aviv. In the end, 35 people were dead and more than 80 injured. It was the worst terrorist attack in 30 years of Israeli's existence.

Our press cards got us past the roadblock. I felt a weird mixture of fear and excitement. None of it seemed real.

Cautiously, we made our way to Lester's house. He hauled his camera gear out as the driver waited nervously. "Bob," said Lester, who had photographed the 1973 war, "do me a favor. Keep your head down."

There was no rest on Sunday. I spent the day in a sleet storm—a rarity for sunny Israel—interviewing people on the streets of Jerusalem for reactions.

I was prepared for anger, but the depth of their fury startled me. People were talking about hanging the terrorists from lampposts.

"They kill children, we kill children—why not?" said an enraged taxi driver as he talked of retribution.

At a press conference that day, an angry Menachem Begin compared the PLO to the Nazis. My own, very personal hope was that Israel would resist the temptation to strike back massively. I thought it might do irreversible damage to the peace negotiations. After the interviews, after the rage in the streets, retaliation seemed a tragic inevitability.

It came Tuesday night, when Israeli tanks rolled into southern Lebanon. Wednesday morning, I was headed north, toward the battlefront.

Bizarre things happen when you cover an invasion—some of them funny, some frightening, some just odd. I rode from Jerusalem to the Lebanese border with two other newsmen, a stringer for the Washington Post and a reporter for the Seattle Times.

We were hardly past Jericho when a hard object smashed into our windshield. Nobody was hurt (thank God for safety glass). But what in the world was it? We were three hours from the Lebanese border. There was nobody around. Surely the artillery fire couldn't reach this far south. Or could it?

We drove on, debating whether to stop. The glass was still in the windshield. It was held there by its plastic covering. But the cracks made it hard to see through, and the cracks kept widening, eventually making the windshield almost opaque.

Finally, we got out and ripped out the windshield by its rubber edges. Glass was everywhere. I sacrificed a T-shirt to wipe the seats and to clean off the dashboard so chips of glass wouldn't fly into our faces. Then we drove on. It was a windy trip.

A bad omen? We allowed ourselves some gallows humor. Nothing else happened, though, either on our way north or after we got there. What caused our fright? Probably, we concluded, nothing but a rock kicked up from the road.

The informality of the Israeli army astounded me. We saw soldiers hitchhiking toward the battlefront. It was a far cry from the regimentation of my days as a private at Fort Knox.

We picked up one, a young woman in olive drab. Like reporters, we pumped her for information. Like a soldier, she gave none.

We wondered how far north we'd get before the Israeli army stopped us. We found the answer at Metulla.

Metulla is an Israeli village of 500 people. It sits right on the Lebanese borders. Its inhabitants spend a lot of time in bomb shelters. On the main street, we found a large crowd of reporters in front of the town's only hotel. This was the stopping point.

We spent the day getting briefed by the military and talking to people in bomb shelters. Where to spend the night was a problem. The little hotel was fast filling up, so I grabbed a room there. But the hotel had only one Telex and two telephones for perhaps a hundred newsmen. The lines were very long.

My two colleagues and I headed south a few miles. We stopped at a hotel in Kiryat Shmona, another small town. Thus, I managed to be checked into three different hotel rooms on the same night—in Metulla, in Kiryat Shmona and in the room I still had at the Jerusalem Plaza. Try explaining that on your expense account.

The next day was a day of waiting. We were promised a trip into the occupied territories, but fighting was still going on. It might create a public relations problem, the Israelis thought, if a hundred foreign reporters got blown away by PLO artillery after the Israeli army said it had cleaned out the PLO.

So we had the incongruous spectacle of dozens of newsmen—some of whom had covered Vietnam—lounging, dozing, sipping beer or 7-Up in the warm sun outside the hotel in Metulla while, only four miles away, people were fighting and getting killed. All of us knew that if we went away even for a minute, the bus would come, the army would say, "Get in," and it would be gone. So there was nothing else to do, no place else to be.

We had only the BBC cracking over our short-wave radios to keep us in touch. Often we learned more about the invasion from the BBC than we did from our official military briefers.

"The guys I worry about," Jon Borders of the Chicago Tribune was saying of other reporters, "are the guys who say, 'Where are the bodies? I want to see the bodies.' And then when they see them, they puke."

At last the word came, and we scrambled onto a bus. Ironically, we went across the Lebanese border at the "good fence"—an opening in the border through which Lebanese had been allowed to come and work or get medical care in Israel. It had become a symbol of quiet Arab-Israeli cooperation. Now it was an invasion route; tanks and artillery had rolled through for two days.

The scene was filled with ironic contrasts. Ugly tank tracks blotched the beautiful spring green of the Lebanese hillsides. Israeli soldiers calmly ate lunch under a tree as fighting went on just a few miles away. Donkeys and sheep wandered the hills as if nothing were happening.

Besides an Israeli military officer, one of our guides was a Lebanese Christian, a schoolteacher, who spoke English with a French accent. Some of the villages had French-sounding names, such as Marj Ayun, left over from the days when France had control of Lebanon, earlier in this century. As we went through the small Christian villages, little kids flashed V-for-victory signs with their fingers. For a moment, I felt as if I'd gone through a time warp—it was 30 years earlier, and we were covering the liberation of France.

I was dubious about those V signs. Was that a show put on for the benefit of these

foreign newsmen? Had the Israeli army put the kids up to it? Was it something the kids had seen in an old World War II film on TV? Or was it a sincere expression of gratitude to the people who had just invaded their country?

The last, apparently, was closest to the truth. The PLO had been harassing the Christian villages in south Lebanon, and the Christians had quietly cooperated with the Israelis before. The people were genuinely glad to see Israel's army, and the soldiers didn't have to fight for these villages. Some villages that were PLO strongholds, though, were demolished.

In Marj Ayun, we stopped in the village square to talk to people. A little later, there was a loud explosion. It was PLO artillery fire, aiming for, but not hitting, the village. Our Israeli military officer spoke English slightly out of syntax, but his meaning was perfectly clear: "In my opinion—back to the bus!"

That ended the trip. There were no dead bodies around on this journey, and I know one correspondent who wasn't sorry.

"The Phoenicia Hotel?" The taxi driver in Beirut laughed out loud. "The Phoenicia Hotel? The Phoenicia Hotel doesn't exist."

Of course it existed, I told him irritably. The American Express travel agent in Cairo, where I had begun the day, told me I had a confirmed reservation there. Would American Express lie to me?

True, my recent luck with hotels hadn't been spectacular. TWA had managed to strand me in Israel with neither hotel nor baggage. At my first hotel in Cairo, I had to be led to my room by candlelight. At my second hotel in Cairo, I turned on the water faucet and rust came out. At my third hotel in Cario, I had no desk and no chair and had to perch my typewriter on a shelf.

Still, a hotel that didn't exist? The investigative reporter in me came to the fore. What was this, some Lebanese con game? Did this guy have a brother who owned a hotel and gave the cabbie a kickback every time he steered some gullible American there? Did he actually think he could fool me?

"Take me to the Phoenicia," I insisted.

And so he took me to the burned-out, rusting skeleton of a building that once was the Phoenicia Hotel. It had been destroyed in the Lebanese civil war of 1975–76. Once it had been one of the finest hotels in Beirut. Now it was rubble.

Embarrassed, I asked the cab driver for advice. He had the grace not to gloat as he took me to a new hotel called the Mediterranee, on the Mediterranean Sea.

It was so new it hadn't officially opened, but it was taking guests anyway. There were eight persons there, including me, and we rattled around the building like BBs in a bucket.

I was braced for Beirut. I'd never been to Lebanon—this was late in February, before the Israeli invasion—and like most Americans, I knew Beirut entirely through the newspapers. It was the city of the Moslem-Christian war, the headquarters of the PLO. I was prepared for filth, for bullets, for blood in the streets.

What I wasn't prepared for was its beauty.

Before the war, Lebanon was the Switzerland of the Middle East. It was a tourist's paradise. Beirut was built in a spectacularly beautiful setting that looks out over the blue sea on one side and up to the lovely, snow-capped Senine Mountains on the other. There were no bodies, no filth, no blood on the seafront road this day. Only peace and calm and blue water.

The next morning, I went to the shore and spent an hour just looking. After two weeks in the traffic-choked, people-clogged, nerve-jangled streets of Cairo, the serenity was like a warm bath. Later, I went jogging along the seacoast.

"A far sea moves in my ear," Sylvia Plath wrote. This sea will move in mine a long time.

In spite of the beauty, heartbreak was never far away in Beirut. In a way, the entire city is a war cripple. Entire city blocks were destroyed, and countless human lives were destroyed as well.

I remember a woman I met at a hospital run by the PLO. She had a scar on her forehead, and she was being treated by an orthopedic physician.

Was she Palestinian? Lebanese? I never found out. Somehow her nationality got lost as the doctor, in that clinical way doctors have, explained in English exactly how much of her foot had been blown away and described the wondrously advanced artificial arms and legs and hands his hospital was manufacturing.

At one point, the woman shyly asked the doctor something in Arabic. She had been looking at an artificial foot, tinted in flesh tones, with toes painted in. It looked so natural, she thought; could she have one of those?

The doctor explained, in English to us, in Arabic to her, that it wouldn't be as comfortable as a different kind, without the toes.

A war casualty of a different kind was a cab driver named Tony. His full name was Tony Handal, but that wasn't the way he introduced himself. He said he was Tony from the St. George's.

He had driven his cab for 18 years, working out of the St. George's Hotel. His father had driven a cab at the St. George's before him. He told me that his father had once driven Winston Churchill from that hotel. Tony said it as if the hotel were part of his own name: Tony-From-The-St-George's.

Only the St. George's didn't exist any more. Like the Phoenica, it was destroyed during the war. Tony had been working the Mediterranee Hotel recently, but the loss of the St. George's affected him almost like an amputation, as if a part of him were gone.

One afternoon, when I had some time, I had him take me into the Senine Mountains, and later he showed me the bombed-out areas of Beirut. His descriptions were in past tense.

"Here they used to buy flowers," he said, pointing out the rubble. "Here coffee, cake, This used to be a bank."

The entire main market area of the city had been destroyed.

I got out and poked through the dust and twisted metal and ashes of one building. Strewn amid the rubble were some bills of lading, dated 1966.

Later, Tony asked me to remember him to Fred Friendly, a prominent American newsman he had once shown around Beirut. He wondered if Friendly would remember him.

"Tell him Tony said hello," he said. "Tony from the St. George's."

The police in the Helwan industrial district south of Cairo were very polite. Would we take a seat, they wondered? Would we like some tea?

I wasn't in a sitting mood, and I didn't want any tea. What I wanted were some answers. Such as, what the hell were we doing in a police station in the first place? And when were we getting out?

We had been taking pictures. I was with Ramsey Amine, a young student at American University who served as my interpreter in Egypt, and J. Ross Baughman of the Associated Press, who was shooting the photographs (and who won a Pulitzer Prize for some other photos a few weeks later).

Ross and I had our Egyptian press credentials and our passports; Ramsey had his papers, too. The place we were photographing was just a housing development where factory workers lived. I had spent part of a day interviewing people there earlier that week; now we wanted some pictures.

Officially, there is no censorship of the foreign press in Egypt. Reporters can write what they please. We weren't in a military area. Why, then, had we been picked up by the Egyptian police?

Being in a police station is bad enough anytime. If you don't speak the language, it's worse. Ramsey Amine exchanged some words with them in Arabic. "They're being stubborn," he summed up.

What had happened, as it turned out, was that one of the people living in the housing project was a security guard at one of the plants nearby. When he saw some foreign-looking guys taking pictures, his reaction was to call the police. The police, not quite knowing what to do with us, were making us wait for a higher-up security official to come down from Cairo. And so he waited.

After a while, Ross handed over the roll of color film he'd shot—too readily, I thought—and the Big Security Official said he would develop the firm. If there was nothing sinister on it, we could have it back. Trouble was, it was taken on Kodak Ektachrome Six film. The chemicals necessary to develop it weren't available in Egypt, which is why we had planned to send the film to St. Louis unprocessed. The chemicals the Helwan police had would ruin the film.

Ross tried to explain that, but to no avail. After two hours, we were let go, minus the film.

That afternoon, I headed for the office of Ahmed Shohdi, the head of the Egyptian government's press office. He had already heard about what happened. Ross had got a call through to the AP, and the AP had called the press office.

Why hadn't I had a government escort, Shohdi wanted to know. Didn't I know Helwan was a sensitive area, because they had factories there? Trying to keep my temper below the boiling point, I politely asked why the hell he hadn't told me that escorts were necessary in some parts of Cairo. We'd been on an open road; any tourist could have taken the shots we took. Why was an escort necessary?

Finally, I asked him for a list of "sensitive" areas so that I could get the required escort next time. Then came the tip-off.

There was no list of sensitive areas, he said.

"Just tell us where you want to go. The government will send an escort along to help you." Officially, there is no censorship in Egypt.

Officially, there is censorship in Israel. Under Israeli law, all stories dealing with national security matters are supposed to be approved by a government censor before being filed.

In practice, many reporters just file their stories anyway. I didn't submit any of my stories to the censors while I was there, and nothing happened. The government, however, has one way of exercising censorship even if the story hasn't been submitted in advance.

It is an open secret that the censors monitor the Telex machines of the major foreign news organizations in Tel Aviv and Jerusalem. If one of them sends something the censors don't like, they simply garble the copy—or pull the plug and stop the Telex.

The stories get into the American papers anyhow, reporters being a sly and resourceful bunch. They dictate the touchy parts over the phone to their home offices in the United States; they fly to Cyprus or Greece to file the story. But the efforts of the censors have made some American newsmen very bitter.

I was in a newsroom in Tel Aviv one night and heard an American correspondent on the phone, blistering the hide of a censor who had garbled his copy. The part they garbled, he was saying, was a statement that Prime Minister Menachem Begin had made on national television. Maybe it had to do

with security, but the secret was out, and trying to censor it was, he thought, ridiculous. But the censor won; the reporter had to bring the story over.

Photos have to be censored, too, and here I couldn't escape. None of the airlines flying out of Tel Aviv will ship color film unless it has the censor's green sheet of approval attached. So the photographer and I had to make two trips to the censor's office.

None of the photos was cut out, but just going through the process stirred the deepest kind of revulsion in me. It was the first time in my life I had been forced to ask the permission of any government official to print something. Who were these people, I fumed, to put blinders on the people of St. Louis?

After the second time, as we left, I indulged in the childish gesture of spitting in the general direction of the building. Maybe the grass will be a little greener there.

"What do you think? What do you really think?"

Wherever I went in the Middle East, people asked my own opinion—about war, peace, Jimmy Carter, the chances for a settlement and which side I thought was right. Reporters are trained to keep their feelings out of their stories, and they try; but no one can visit that turbulent corner of the world without drawing some conclusions, for better or worse.

My strongest impression is a sense of how much all of us are prisoners of our personal histories. Given the separate experiences of the Israelis, the Egyptians, the Palestinians, given the special prisms through which each side looks at the Middle East and at the world, the viewpoint of every side is understandable.

I kept trying to put myself in the place of the people I met. What would my own views be if I had lived what they lived, suffered what some of them suffered? If I had been born Jewish instead of Roman Catholic, if I'd had memories of the Holocaust burned into my brain, if I had lost a brother fighting for the survival of my country through four wars, if I had grown up listening to Arab leaders talk about driving us into the sea, how else could I see the world except as the Israelis see it?

I was startled at how little time it took to cross Israel—less than an hour from Tel Aviv to Jerusalem by car, less than an hour from Jerusalem across the West Bank to the Jordan River. After that, I had no trouble understanding the Israelis obsession with secure borders; there is, literally, no place to retreat except into the Mediterranean.

And the Palestinians? Like Carl Sandburg, I love the Illinois prairie where I was born. If any foreign army had driven our family away, I can readily imagine dedicating my life single-mindedly to getting back that land. By terrorist attacks, by murdering women and children? That I couldn't do, any more than most Palestinians can, but like them—maybe I would take a secret pride in the attention it would bring. I saw men who still had papers from 30 years ago saying they owned land in what is now Israel. I saw children playing among garbage in the refugee camps. Can anything except despair—and desperate acts—come from such places?

Everybody I met said they wanted peace. People talked passionately, longingly, about peace. But peace always seemed to be second on the agenda. Israel wants peace—but security first. Egypt wants peace—but the Sinai first. Syria wants peace—but the Golan Heights first. The Palestinians want peace—but a national homeland first. One thinks of Lincoln summing up the Civil War: All pray to the same God, and each invokes His aid against the others. The prayers of all will not be answered; those of none will be answered fully.

More than anything else in the Middle East, one gets a sense of powerful forces at work, social and historic and political and human forces moving unseen, like the tectonic plates under the surface of the earth, toward some tragic and inevitable climax.

Watching the Middle East is like measuring the movement of the earth along geologic fault lines or tracking a comet on a collision course with North America.

You can predict more or less where the earthquake will strike, you can forecast approximately when the ball of flame will plunge through the atmosphere and demolish New York City, but as in a dream where one runs and goes nowhere, like a nightmare where one must move but stands frozen and paralyzed, there is nothing you can do to prevent the final, horrifying outcome.

My own dark scenario—which I passionately hope turns out to be a false prophecy—is that pressures for "peace now" inside Israel will force Begin to soften his position just at the time when pressures inside Egypt and the Arab world force Anwar Sadat to harden his. The two will miss each other like ships in the night, and the Middle East, having learned nothing from history, will be condemned to repeat it.

It is impossible not to feel a profound humility in the face of some experiences. I talked to a Palestinian woman in Lebanon who lost eight members of her family in the Lebanese civil war. I talked to Israelis who had fought in four wars, and had scars to show for it. I talked to a man in Israel who had lost an eye fighting the Egyptians; I met a man in Alexandria who had lost an eye to an Israeli land mine. I saw men consumed with bitterness in the refugee camps. I saw grandmothers in bomb shelters during the invasion of Lebanon, guarding small children with quiet courage.

And I met people on both sides who showed deep sensitivity and insight. A secretary in Jerusalem had grown up with stereotypes about Arabs; now she was able to see the injustices that Arabs had suffered. An attractive young commerce student in Cairo pleaded for America to stop arming both sides: "We're losing our souls, and theirs." A Palestinian student on the West Bank noted the hopelessness felt by her people: "We're like a puppet, in a way—moved by other people."

I was haunted by the beauty of Jerusalem, saddened by the casualties of war, moved by the hope and tragedy everywhere. The impressions are indelible. I may be through with the Middle East, but I suspect the Middle East isn't through with me.

Is it possible to put all of it, half, a tenth, a hundredth, on paper? One turns to T.S. Eliot: "Words strain . . . slip, slide, perish." Or Robinson Jeffers: "Better mirrors than yours would crack in the flame."

In Bethlehem, after interviewing the mayor, Elias Freij, I stopped at the Church of the Nativity. It was here that Jesus was born 2,000 years ago. Today, it is a city under military occupation. One trusts that the Prince of Peace has a sense of humor, or a sense of irony.

At 36, I was 18 years past my days as an altar boy at St. Malachy's. Further still, in measures other than time. But the people, the faces, the fears and hopes, were printed on my brain. It was, for them—the people—that a backsliding Catholic knelt in a church in Bethlehem that day and lit a candle for peace.

CONTINENTAL BANK CONTRIBUTES TO REHABILITATION EFFORT

Mr. PERCY. Mr. President, the Continental Bank Foundation of Chicago recently made a 5-year pledge of $375,000 to Neighborhood Housing Services of Chicago, Inc., to rehabilitate a South Side neighborhood, the fifth such Chicago community to benefit from the NHS rehabilitation program.

I would like to commend Continental Bank for this contribution to the community. The Continental grant to fund a new neighborhood rehabilitation effort is the first from any single financial institution in the country to any of more than 40 NHS offices in cities across the country.

The grant will be used to organize, staff and administer an NHS office in the Little Village (South Lawndale) neighborhood on Chicago's near Southwest Side. Within the Little Village area, NHS expects to concentrate its efforts on an area bordered on the north by 22d Street, on the south by 31st Street, Kedzie Avenue on the east, and Central Park on the west. This half-square mile area is the home of an estimated 18,000 people and the site of some 2,000 residential structures, many of them four-flats built up to 60 years ago.

The four Chicago communities where NHS already is active include Heart of Chicago, Central Austin, Near Northwest, and West Englewood. Since NHS was organized in Chicago in 1975 as a partnership effort of community residents, financial institutions, and city government, almost $12 million in conventional and revolving purchase and rehabilitation grants and loans have been made to residents of the four target areas. In that time, the four neighborhood NHS offices have handled more than 1,300 requests for technical or financial rehabilitation assistance from residents.

Continental's grant for the Little Village community would defray costs involved in selecting the site and operational costs of salaries, neighborhood office space, equipment, and supplies. Those costs are estimated at about $375,000 over the 5-year period. Continental will make its first payment of about $75,000 toward the 5-year grant during the second quarter of 1978.

Continental Bank should be commended for its commitment to community improvement and its leadership role in funding numerous community organizations and redevelopment projects. It is through recruitment and active participation of lending institutions in the community, like Continental Bank, that these programs are able to succeed in providing the assistance needed for neighborhood revitalization.

ASSOCIATION FOR THE STUDY OF MOROCCAN-AMERICAN RELATIONS

Mr. PERCY. Mr. President, last month in Rabat, Morocco, the Association for the Study of Moroccan-American Relations sponsored a major international seminar entitled "From Anfa to Aix-les-Bains—1943–56." The seminar was the first in a series having the general theme "Toward a Third Century of Unbroken Ties," and featured a distinguished panel of American and Moroccan scholars, who examined the pre-independence period of Morocco's rela-

tions with the United States. It was attended by many prominent Moroccans, including the Governor of Tangier Province, Mohammed Kaissi.

The Association for the Study of Moroccan-American Relations (ASMAR) was officially created in May 1977, and has the enthusiastic support of Morocco's leaders, including His Majesty King Hassan II. I discussed plans to form ASMAR in August 1976 with Ambassador Robert Anderson. At that time it was my privilege to present to him a Bicentennial flag on behalf of the Congress. On the occasion of last month's seminar, Ambassador Anderson presented the flag to ASMAR's President Mehdi Elmandjra for permanent display in the Tangier American Legation Museum, which is ASMAR's official headquarters. President Elmandjra and Governor Kaissi asked me to convey ASMAR's appreciation to the Congress for this gesture of interest and friendship.

Mr. President, I am pleased to report on these happy events, and I ask unanimous consent that Ambassador Anderson's welcoming remarks at the ASMAR seminar be printed in the RECORD at this point.

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

REMARKS BY AMBASSADOR ROBERT ANDERSON

Governor Larbi Kaissi, Mr. President, Excellencies, ladies and gentlemen, thank you for the opportunity to add a few words of welcome to this distinguished group. Much has happened in the past two years to enable us to be here today.

First and foremost is the deep interest and full support of His Majesty King Hassan II. On February 14, 1977 His Majesty told me, during a long discussion on the goals of the then proposed binational organization called "The Association for the Study of Moroccan-American Relations", that this enterprise had the potential of making the most enduring contribution in history to Moroccan-American relations.

Three months later ASMAR was formally created in Rabat with the wise counsel and active participation of one of Morocco's most outstanding leaders, the Minister of State for Cultural Affairs Hadj M'Hammed Bahnini. His continuing assistance and guidance as we now move forward to give substance to the objectives of the Board have and will continue to be a sine qua non for the success of ASMAR.

I would also like to express our deep appreciation for that indispensable link with the American academic and cultural communities, the Tangier American Legation Museum Society in Washington. The presence here today of James Tull, the official archivist of TALMS, a member of its Board and a valued colleague when I arrived in Morocco two years ago, bears witness to the importance our sister organization across the Atlantic places in contributing in every way possible to the future activities of ASMAR.

This memorable occasion which we will be sharing for the next two days would have been an unfulfilled dream were it not for the dynamism and imagination of Dr. Mahdi Elmandjra. Mr. President, I must tell you that not since my days with Dr. Kissinger have I been associated with someone who spends virtually his entire life in the air and accomplishes so much on those rare occasions when he touches down. We know you face far too many demands. We know you welcome challenges, no matter how difficult, to achieve the goals in which you believe. For the key role you have played in bringing us together in this historic setting, we thank you.

For quite some time I have been holding an historic memento for presentation to ASMAR to be retained permanently here in the old Legation. We are about to embark on the first Moroccan-American endeavor to deepen our relations through a profound and scholarly exchange among eminent private personalities from both our countries. I can therefore think of no more appropriate occasion than now to make this presentation. Mr. President, I have here a very special flag of the United States of America. On July 1, 1976 it flew over the Capitol in Washington on the occasion of the official opening by President Gerald R. Ford of the Centennial box of historic memorabilia sealed on July 4, 1876. At that time the American Congress decreed, and the President approved, that a similar box of memorabilia would be prepared and remain sealed until the 300th birthday of our country on July 4, 2076. This symbol of the enduring friendship between the Kingdom of Morocco and the United States of America was presented to me on behalf of the Congress of the United States by the Honorable Charles H. Percy, Senior Senator of Illinois for permanent retention in the Tangier American Legation Museum. Mr. President, I would like at this time to present you this flag from our Congress for appropriate display.

That we may move on to the exciting prospects before us without further ado, may I close simply by wishing everyone present an informative productive two days together. Your conference will, I am totally confident, always be remembered as a unique landmark in the relations between our two countries.

Thank you.

WORLD TRADE AND THE U.S. ECONOMY

Mr. PERCY. Mr. President, President Carter has proclaimed this week, May 21–27, as World Trade Week. It is highly appropriate that we should celebrate international trade for the United States recorded the largest trade deficit in its history last year—$26.7 billion. The Commerce Department predicts that the trade imbalance will be nearly as great this year and that the value of the dollar abroad and inflation at home will be seriously affected.

One of the major reasons for the trade imbalance is the recovery of the U.S. economy and the corresponding lag of the European and Japanese economies. An invigorated market the size of the United States pulls in a large number of imports as it expands. Economies with slower growth rates usually have less demand for imports and consequently are in a better position to balance their trade account. The President's 1978 Economic Report to Congress assessed the situation quite well, and I would like to quote a passage.

The world economy in 1977 continued to feel the aftershocks of the 1972–75 period; output remained well below productive potential while unemployment reached new peaks in many countries, inflation continued at high levels, and unusually large imbalances in current accounts persisted. These are problems that are likely to continue to command the attention of policy makers in the coming year. Economic growth in the United States was stronger than in the industrial countries abroad. This difference in growth rates and strongly rising oil imports contributed to the emergence of an unprecedented U.S. deficit on current account transactions. Concern over the U.S. deficit was a major factor leading to a substantial depreciation of the dollar against many foreign currencies, which was especially rapid toward the end of the year.

The economies of our major trading partners nearly stagnated during 1977, as the following table shows:

Real GNP growth in major industrial countries, 1977

Country:	IQ	IIQ	IIIQ	IVQ
United States	7.5	6.2	5.1	3.8
Canada	7.6	−.1	5.3	3.4
France [1]	5.8	−2.8	1.3	5.7
Germany	3.0	.0	−.4	5.7
Italy	7.0	−9.6	−1.9	−.5
Japan	8.8	6.8	1.8	4.2
United Kingdom [2]	−2.8	1.8	−1.1	.4

[1] Gross domestic product excluding nonmarket activity such as compensation of employees in the government sector.

[2] Gross domestic product.

SOURCE.—Council of Economic Advisors.

Only the United States and Japan posted positive growth in the second and third quarters of 1977 and only the United States was able to maintain a steady growth momentum. It is not surprising, then, that our own trade balance has been in the red the past year and a half. The question we should be addressing this week and throughout the year is: How do we correct this imbalance?

To some extent, the imbalance will correct itself. The dollar is now cheaper than the yen, deutsche mark, and Swiss franc and the goods of those countries are now more expensive for us to buy. Consequently, consumers in the United States will begin to buy comparatively lower priced American products. We are already beginning to see this with automobiles, for example. Popular foreign cars have become so expensive that Americans are turning more and more to Detroit's models, which now enjoy a competitive edge. Chrysler, for example, has had extraordinary success with a new compact it introduced earlier this year and its Belvedere, Ill., plant may not be able to fill all of this year's orders.

The large U.S. purchases overseas should also stimulate the European and Japanese economies and their subsequent growth should pull in increasingly larger amounts of U.S. goods and raw materials.

We cannot, however, rest on these market forces alone. The Federal Government can help in several ways to increase our exports, reduce imports, and restore foreign confidence in the strength of the U.S. economy.

One of the strongest actions we can take to bolster the dollar is to pass the energy bill that has been languishing in conference committee for so long. The value of the dollar and leading Wall Street indicators rise or plummet depending on news from the conference committee. On days when compromise seems to have been achieved, the dollar value rises. When the future of the year-old program seems in doubt, our currency receives a vote of no confidence. Clearly money markets are telling us something and, that is, that we need to get our energy use under control.

The Organization for Economic Co-operation and Development (OECD) recently published its 1978 report on the economies of its member countries. It included a revealing table on per capita energy consumption, which I am attaching to my statement. It shows how far the United States needs to move toward a realistic energy policy. Among the major industrial countries, only Canada and Luxembourg surpass the United States in consumption.

Per capita energy consumption

(Total primary energy requirements in tons of oil equivalent—1976)

OECD country:	
Australia	4.69
Austria	3.22
Belgium	4.55
Canada	8.51
Denmark	3.82
Finland	4.77
France	3.36
Germany	4.23
Greece	1.45
Iceland	4.86
Ireland	2.26
Italy	2.42
Japan	3.09
Luxembourg [1]	11.48
Netherlands	4.73
New Zealand	3.37
Norway	5.16
Portugal	.87
Spain	1.81
Sweden	6.11
Switzerland	3.49
Turkey	.71
United Kingdom	3.69
United States	8.10

[1] 70% of total energy requirements (more than double the OECD average) are consumed by the industry sector mainly for export.

SOURCE.—The OECD Observor No. 91, March 1978.

The Government should resist pressures to impose quotas or higher tariffs on goods as a way to "improve" our trade position. We know all too well from past experience that these "beggar-thy-neighbor" policies will only fly back at us like a boomerang. Shutting out competition from overseas—when it is fair competition—is no way to reduce the trade imbalance.

Our own exports could eventually be targets for exclusion by foreign governments.

Unfair trade practices, on the other hand, should be speedily dealt with by our Government. Unfortunately, this has not always been the case in the past and some industries feel they have been "run over" by unfair foreign competition. The U.S. Anti-Dumping Act needs to be overhauled and its penalties imposed more quickly. I have introduced legislation that would reform the anti-dumping law. Enactment of this bill would remove one of industry's greatest concerns at this time.

Mr. President, what we really need to do, however, is change the focus and attitude of the U.S. Government toward exporters and productive investment. Many of our trading partners are far more active in aiding their exporters than is the U.S. Government. I do not think we should enter a "race" with our allies to see which country can outsubsidize the other. That would be as dangerous as the trade policies of the 1930's when nations competed to close out as many of each others' products as possible. What we should be doing is working with our trading partners to equalize government subsidies. The OECD nations have recently reached an accord on export credits and I am including an OECD report on it with my statement because it is indicative of the way in which we should be moving. As the following report explains, the goal of these guidelines is "to put all participants on an equal footing in this aspect of competition for foreign markets":

NEW GUIDELINES ON EXPORT CREDITS

Most OECD governments support credits offered by their exporters and financial institutions to potential buyers, and this can be a crucial element in international competition for markets. An important international objective is to prevent the distortion of trade which may result from excessive competition in official support for export credits. It is, for example, reflected in the official communique of the most recent OECD Council Meeting at Ministerial level.[1]

After intensive negotiations at OECD headquarters, twenty countries[2] have reached agreement on a set of guidelines for government action with regard to such export credits. This "Arrangement on Guidelines for Officially Supported Export Credits" was to come into effect on 1st April 1978 subject to confirmation by participating governments.

The present arrangement supersedes a "Consensus on Converging Export Credit Policies" of July 1976 (also referred to as a "gentlemen's agreement") among the same countries. It is the result of an extensive review of participants' experience with this consensus and of proposals for improvement.

The guidelines are applicable to officially supported export credits with a repayment term of two years or more. The basic terms set forth are:

Minimum cash payments of 15 per cent, whatever the destination of the exports.

A maximum repayment period of from 5 to 10 years depending on which of three groups the country of destination falls into: relatively rich, intermediary or relatively poor.

A minimum interest rate of 7.25 to 8 per cent depending again upon the group to which the country of destination belongs and also on the repayment period.

The arrangement is an across-the-board one, covering all exports with the exception of military equipment and agricultural commodities; certain other exports, e.g. power stations, ground satellite-communication stations, aircraft, and most seagoing ships, are subject to special treatment.

The guidelines fix procedures for participants to follow vis-a-vis both their own exporters and other participants in the arrangement. The most important provision spells out a government's obligations if it intends for one reason or another to support more favourable terms than those set forth in the guidelines. In such a case, the other participating countries have the right to match these terms in a way which is specified in the arrangement.

Participants are required to give full information on earlier commitments to support credits at softer terms. The procedures to be followed in such cases are designed to avoid competitive matching.

By stipulating what should be the most favourable terms and by ensuring the transparency of participants' export credit transactions, the guidelines are designed to put all participants on an equal footing in this aspect of competition for foreign markets. Periodic reviews of the guidelines are envisaged, and these will give participants the opportunity to examine the operation of the agreement in practice as well as to suggest further improvement. The first such review is envisaged for the autumn of this year.

SOURCE.—The OECD Observor, No. 91, March 1978.

Mr. President, we also need to spur investment in our plant and equipment in this country if we are to remain competitive overseas. Frank Weil, Assistant Secretary of Commerce for Domestic and International Business has estimated that 20,000 U.S. companies export, but that another 20,000 could successfully enter the world marketplace. The Federal Government should make sure that our firms are able to mobilize the productive investments that are needed to enter international competition. We now have the lowest rate of capital formation of any of the major industrial countries, as the following table shows.

Gross fixed capital formation—1976

(As percent of gross domestic product)

OECD country:	
Australia	23.7
Austria	26.0
Belgium	20.6
Canada	23.1
Denmark	21.5
Finland	27.0
France	23.1
Germany	20.7
Greece	21.5
Iceland	29.5
Ireland	24.5
Italy	20.3
Japan	29.6
Luxembourg	28.2
Netherlands	19.7
New Zealand	25.2
Norway	36.3
Portugal	23.9
Spain	22.9
Sweden	20.6
Switzerland	20.7
Turkey	17.9
United Kingdom	19.2
United States	16.2

(SOURCE.—OECD Observor No. 91, March 1978.)

[1] Ministers welcomed the progress achieved in multilateral co-operation concerning export credits and underlined the need for further efforts to improve and extend the consensus on guidelines for the extension of officially-supported export credits. Communique, 24th June 1977.

[2] Australia, Canada, the European Economic Community (composed of the following Member States: Belgium, Denmark, Germany, France, Ireland, Italy, Luxembourg, Netherlands, United Kingdom) Finland, Greece, Japan, Norway, Portugal, Spain, Sweden, Switzerland, the United States.

Is it any wonder that U.S. firms are not competing as readily as many of our competitors? I feel the Federal Government, through its tax policies, could reverse this and produce healthy economic growth and expansion domestically. Closely related to our expenditures on capital investments is our productivity rate. Not surprisingly, the United States is also one of the lowest countries in productivity growth during this decade, as the following table shows:

Productivity growth in manufacturing, 1970–76

Country:	*Percent*
United States	2.1
Canada	2.9
Japan	5.5
France	4.9
Germany	6.0
Italy	5.5
United Kingdom	2.6
Denmark	6.8
Sweden	3.9
Switzerland	3.5

SOURCE.—U.S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology.

In short, Mr. President, I feel that a sound economy at home will help us bolster our international trading position. If we carefully cut back on our oil imports and work to invigorate the domestic economy, our trade imbalance will shrink and our unemployment rate will drop even further. Productivity gains will reduce pressures of inflation. The road ahead will not be easy because the problems we must deal with are complex and often interrelated. As we celebrate World Trade Week, however, we should realize that our solutions to international trade imbalances lie right here at home.

THE VOICE OF AMERICA

Mr. PERCY. Mr. President, those of us who have been strong supporters of the Voice of America over the years were very pleased to read in the Portfolio section of the Washington Star of May 21, 1978, an excellent article by Joy Billington about some of the great and popular personalities of the Voice, including Willis Conover, Phil Irwin, Pat Gates, Tatiana Retivov, Roger-Guy Folly and Luis Daniel Uncal.

The plaudits are well deserved, the article well written. I would hope that future articles would be devoted to other stars of the Voice of America: The news and current affairs team, the correspondents, the engineers, the producers, the announcers, and all the others who make outstanding and essential contributions to this international radio service.

I ask unanimous consent that the Washington Star article be printed in the RECORD at this point.

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

THE ANONYMOUS STARS OF THE VOICE OF AMERICA

(By Joy Billington)

The stars of the Voice of America couldn't be more anonymous if they hid in the Statue of Liberty . . . broadcasting secretly from a microphone in her torch.

They don't, of course. They operate from the second floor of the Health, Education and Welfare Building in Washington—that "tower of Babel" from where civil servants broadcast to the world in 36 languages.

At home, the broadcasters are unknown in their own country. Abroad, their fans tune in regularly on short-wave radios . . . students in Uganda who want to hear Roger-Guy Folly, jazz lovers in Siberia who listen for Willis Conover's voice on dark arctic nights, Siamese eating glutenous rice at sunrise as the "Breakfast Show" moves into their time zone on its leisurely daily journey with the sun.

By comparison to the inflated salaries in commercial broadcasting, even the top VOA stars—Willis Conover, Pat Gates and Phil Irwin—earn salaries that are modest. Gates and Irwin are more likely to get royal treatment at the Asoka Hotel in Delhi than at New York's "21"—even though their audiences are probably bigger than Barbara Walters' and Harry Reasoner's. Conover can move about Washington and New York quietly, unrecognized. In Warsaw or Moscow he'd be lionized. When Uncal attends a soccer match in Latin America, the organizers announce his presence and cheers fill the stadium.

For these government radio stars, the anonymity and medium-range salaries are equalized by two factors: the security of government work and the fulfillment of the low-key but none-the-less missionary zeal that is their driving force. They *want* to tell the story of America.

They speak of the infinite variety of American life, of traffic jams and supermarkets, cold winds in winters, painting summer houses, of black life in Washington and of jazz . . . in sentences and anecdotes bridging pieces of music, interviews and news. And their soft-sell propaganda is expert.

It was a rare thing, last Nov. 15, when Willis Conover took the stage in the White House East Room to introduce Dizzy Gillespie and Sarah Vaughan. Many of the American guests at the state dinner for the Shah of Iran knew his name, but few had actually ever heard that deep-pitched voice with its slow, perfect articulation. "He introduces our great music . . . to other lands. And we are very proud of him," Carter said of Conover.

The VOA star who is probably best known in his own country, 57-year-old Conover is the Eric Sevareid of jazz, the elder statesman and academician whose "Music U.S.A." programs on VOA have influenced jazz musicians abroad since they began in 1955. His entry in "The Encylopedia of Jazz in the '70s" runs several inches. Among the listed accomplishments:

That musicians in Eastern Europe and the USSR "call him the source of their own jazz activities."

That he helped desegregate Washington in the '40s by assembling integrated groups.

That he emceed the Newport Jazz Festival for a decade, "produced" Duke Ellington's 70th birthday concert at the White House, and established and chaired the jazz panel for the National Endowment for the Arts. Conover is chairman of the White House record library commission. He recently received the Order of Merit from the Polish Ministry of Culture in recognition of his contribution to the development of jazz in Poland.

With his shirt sleeves rolled up, Conover sits in his studio at VOA planning yet another "Music U.S.A.," a program that the New York Times once estimated has a following of 30 million listeners. The 45-minute program, which goes out six nights a week over short-wave frequencies for world-wide English-speaking listeners, is divided into two parts: dance music and American song in one section, jazz in the other. "I think there have been between 14 and 15 thousand programs," Conover says, chain-smoking Marlboros.

The reason for the program's great popularity in Eastern Europe and Russia, he believes, is "partly their great musical heritage and partly their cultural preparedness to accept America's great music . . . more easily than do many Americans.

"I can remember vividly my early years in commercial radio, fighting with station managers to keep what some insisted was 'nigger music' on the air. I'm still more interested in the lyricism and quality of good jazz than in the stuff the kids hear today.

"In Eastern Europe, first the Nazis and then the Stalinists silenced such musical expression. My programs were the first aural window on that music, and the vitality it proclaimed. Jazz has served as an icebreaker for creative artists in other fields. In those Eastern European countries where jazz has been allowed—even encouraged—the whole cultural scene has prospered. In Warsaw, the International Jazz Jamboree just had its 20th anniversary, and it was covered on Polish national TV."

In 1959 when Conover arrived at Warsaw airport for the first time, a mob of fans waited to greet him. In the Soviet Union on another trip, the Leningrad Dixieland band and hundreds of fans met him at the train station with a blast of music.

Conover has just returned from Bombay, where he was master of ceremonies at India's first jazz festival. In Delhi, when he lectured on the "Classics of Jazz," 500 jazz buffs crowded into a 200-seat auditorium, including a supreme court justice and the solicitor general of India.

Conover lives in a Manhattan apartment overlooking Central Park with his wife, Carroll. He keeps "a pad" on Capitol Hill for the three or four days a week he works at VOA, taping his programs over long sessions of listening and planning. In New York, he unwinds listening critically to new records or listening to tapes of new programs that have not yet been broadcast, in order, he explains, to "hear them from two perspectives, my wife's and my own when not working." Musician friends like John Dankworth and Cleo Laine may drop by if they're in New York.

Conover writes poems, commentaries for album jackets, lyrics. In Washington recently, he woke up at 2:30 one morning with music in his head. The result was: "Swing with, Sing with, Sigh with Django . . .", for the late guitarist Django Reinhardt, which he hopes composer John Lewis will like. The closets in Conover's studio burst with stacks of record albums. He estimates his library contains some 60 or 70 thousand 3-minute selections.

A freelance contractor earning fees of about $38,000 a year from VOA, Conover says he earns between "three to 10 times that amount" for comparable commercial work. Conover treasures his independence, avoids VOA internal politics and has the reputation among VOA staffers of being a loner. He describes himself as broadcaster, freelance writer, concert producer, narrator and lecturer.

Meticulous in planning the tempo of a program, Conover listens to every piece of music he uses, times it, works out his commentaries and gradually builds the programs with Jim Finn, his studio technician. Then, with his signature tune "The A Train" setting the tone, the slowly precise words begin, the antithesis of the fast-speaking American. He plays his voice like a baritone sax. Its languid pace survives the fluctuations of shortwave radio.

Conover doesn't seem to mind not being known at home, outside of the jazz world. "Away from my work I welcome not having to shave or put on a tie. But I'd like to do a domestic program for the creative satisfaction, not exclusively jazz, but the kind of music I play at home with friends. Everyone

appreciates qualified approval and I wouldn't mind getting that."

The "Breakfast Show" is one of the most popular VOA programs, with an estimated 30 million listeners. Its co-hosts, Pat Gates and Phil Irwin, both have a strong sense of their image around the world, demonstrated when they insist on remaining mysterious about their ages:

"Our listeners can't tell by our voices," Gates says. "Some letters I get say 'will you marry me' . . . others 'you remind me of my mother'." Irwin adds: "Let's leave it to the listeners' imaginations."

They have shared the daily hour-long program for 10 years. The show cycles westward through "breakfasts" in many times zones, with Gates at the microphone one day, Irwin the next. A magazine type program of music and interviews interspersed with news, "The Breakfast Show" format has been such a success that several other language divisions of VOA have copied it.

Gates, a GS–13 who earns $29,490 a year, is a petite blonde New Englander who has worked in radio in Europe for NBC and the American Forces Network and at the White House "on loan" as a special assistant to Pat Nixon. Her style is to share with her listeners an account of a weekend at her Chesapeake Bay log cabin . . . how she is slowly installing storm windows to offset the tough winter winds. Or how a son and his wife were taking a cross-country trip in a van loaded with their belongings, like the pioneers. She will feature an interview on death education, a regular science item, a trip Mrs. Carter is planning or, during International Women's Year, ask listeners to nominate women of accomplishment in their countries.

Irwin's style is to tell jokes, or tape some gurgles from his newborn son. "If I get in a traffic jam coming to the office from my home in Rappahannock County and want to share the frustration of being in a traffic jam, I try to put it in perspective," he explains about their ad-libbing. "The listener may not even have a car. You have to be sensitive. If we sound off about our escalator being out of order again, it shows we don't think we have a perfect society. We try not to take ourselves too seriously." He likes to feature science and agriculture interviews, and offbeat things like a report on a hollerin' contest. "That led to an international hollerin' contest between 32 countries," he says.

Irwin, an FAS4 earning $33,931 a year, hails from New York State. He also worked in radio in Germany for the American Forces Network.

Irwin also has another program "Country Music U.S.A."

For material in addition to their own interviews, Gates and Irwin can use "the facilities of the house." That means policy editorials from the VOA editorial department and anything else in any language division that takes their fancy. Similarly, their material is available to other divisions.

On occasion, Gates and Irwin do a show together, like a July 4th show in Philadelphia in the Bicentennial year. In 1973, they made a world tour, visiting 11 countries to "meet our listeners."

Letters are piled high on the desks of their tiny cubicle offices. "Whenever possible we try to answer our own letters. How many? Thousands," Gates says. "We have the smallest staff in VOA, just one secretary and us." The letters may come from a Peace Corps volunteer in the Central African Empire, to Irwin: "I enjoy your jokes and find myself laughing as the other guy's groan . . ." Or from Pakistan to Gates: "Pat, My Darling, when I hear you I go around smiling at my fellow beings . . ."; from an Indian gentleman: "My regards to that madame who says 'if you see someone without a smile please give yours.' "

Gates and Irwin are proud of their independence. "No one listens to our show before it goes out, no one checks us," they say. "We stick our necks out every day." And they insist they don't care about not being known in the U.S. It would be a nuisance to be a star, Irwin says. "It doesn't bother me at all," Gates says. "My sense of mission is fulfilled, and when some fan says 'I've listened to you for years' that's enough. We believe that we have the largest audience in international radio."

Roger-Guy Folly dresses sharply like so many French-speaking Africans, and has the aplomb to carry off a floral tie with a check tweed jacket. In a VOA studio, he tapes his daily music request program which is broadcast to a potential audience of millions of French-speaking Africans.

Folly sits behind his headphones, moving his body to the music: "Massamba" played by a Congo Brazzaville group, "Poor Little Pitiful Me," by Linda Ronstadt. He alternates American and African music, closing the hour-long six-days-a-week show with his theme song, "Listen People."

Back home in Togo, his parents listen to the voice of their 43-year-old son—who has been in Washington for 10 years—come filtering over the airwaves. Like most VOA broadcasters, Folly has no accurate measurement of the size of his audience. But he receives between 900–1,000 letters a month.

Occasionally, he will include a request from a Nigerian student, with a few words in English, or something for a fan in Kampala, Uganda. But essentially, his job is to communicate in French. "The objective is to retain the audience through music . . . for the heavier stuff. I try to make it entertaining, with some comments about life in the States. I might explain that Washington is just like Abidjan or Dakar, with its black majority; that the mayor is a man called Washington. These things add to their knowledge of America.

"In 1976 I did a six-week P.R. tour of 11 African cities. It was tremendous. Everywhere I went people came with enthusiasm. A lot of people told me that my program at 20 hours GMT comes after their local news, so they switch back to VOA. A relationship has built up over the years. In remote villages like one I visited in Cameroon, the village chief wouldn't believe that 'the man who he listens to every day' had actually come to his village. The interpreter had to convince him. Then he wanted to give me two new wives. I was to pick two girls from the village. I had a hard time convincing him that the U.S. government has a $50 limit on gifts. . . ."

A GG–12 (general grade) earning $21,303 a year, Folly also broadcasts news, reads commentaries, interviews visiting African dignitaries for other programs in his division. Two thirds of the VOA programming is beamed at the developing world. The African division broadcasts in English, French, Swaheli and Portuguese. The division has 10 on-air staffers who do whatever comes to hand. (Arabic broadcasts to North Africa come under the Near East division.)

Folly, who lives on Capitol Hill with his wife and three children, is not a U.S. citizen. About one in 10 VOA employees are not citizens of this country. His radio career began in Ghana, after a stint at a university in Paris. But Radio Ghana turned out to be too propagandistic for the young Togolese, at a time when Kwame Nkrumah was trading insults with all his west African neighbor countries.

Folly was delighted to be offered a job with the Voice in Monrovia, Liberia, at that time a center for training African broadcasters and for producing programs for the continent. In 1968, however, in a budget cut, the operation there closed down. "It's a pity," Folly says. "The BBC and French radio are doing that now and the Voice missed the chance . . ." Folly returned with the VOA crew to Washington, and for the last 10 years had been steadily building his name.

Folly believes that the Voice has the edge in Africa over the Soviets in terms of appealing programs—such as his half hour Sunday program "Rhythms d' Afric" with African music that features instruments and ritual ceremonies, and his half hour Sunday pop program "Rock, Pop and Soul"—because they are free of polemics. "In Africa the listeners' own local stations don't have sophisticated facilities to gather news, and most seem proud to say 'I heard that on the VOA news so it's true . . .' The credibility is high. We have African presidents who listen regularly."

Tatiana Retivov, known as Tanya, uses a pseudonym when she broadcasts, a habit left over from 15 years ago when she started at the Voice and wanted to protect relatives still in the Soviet Union. She is 48, curly haired, and came to the U.S. in 1946 with her parents after years in German labor camps. Her father taught Russian to an American officer in Germany, a circumstance which eased the family's passage to America. Tanya, a GS13 earning $27,756 a year, is an American citizen; she is married to another Russian emigre and has two grown children.

Tanya's weekly 20-minute program "Art Today" concentrates on the work of emigre Russian artists—"we call them non-conformist artists"—in New York and Paris and on American art. She may interview a Jamie Wyeth or George Segal after visits to the Soviet Union . . . talk about the Egyptian and Chinese exhibits touring the States . . . a Russian costume exhibit at the Metropolitan . . . or about other cultural exchanges.

Rather than attempting to describe pop art, op art, kinetic art to Soviet listeners, she prefers to interview an artist and let him verbalize the work.

The interviewing of emigre Russians—whose numbers have increased in the last few years—does "incur the wrath" of the Soviet authorities, she admits. "Some of these artists were made to leave. For instance in early April we interviewed Mihail Chemiakin, whom Chagall helped emigrate to Paris. He was having a New York show. His work is called metaphysical synthesis, something that a Leningrad group started 10 years ago. He told me he had a small exhibit opening simultaneously in a friend's Moscow apartment. The same day as my broadcast, police barred access to the Moscow show."

Tanya tells this story, without appearing to grind ideological axes, as an example of Soviet official attitudes to modern art. Her program is repeated twice during the week for the different time zones of the Soviet Union. VOA broadcasts in five languages to the U.S.S.R.: Russian, Ukrainian, Georgian, Armenian and Uzbek. According to a 1976 MIT survey there are "tens of millions" of listeners. "And Rostropovich has said that VOA is the Russians' daily bread," she says.

Tanya also edits four jazz programs broadcast to the U.S.S.R. The U.S.S.R. division, one of the biggest at the Voice, employs 140 people. Russian language broadcasts go out 14 hours a day. Ukrainian one hour and the other three languages an hour a day. Tanya is one of about a dozen VOA broadcasters who are well known to Russian listeners.

Luis Daniel Uncal is one of the few VOA broadcasters who reports sports. In fact, his nickname could be Uncal Soccer, for Uncal has been an influence in the growing popularity of soccer in the U.S.

The former professional soccer player's 35-minute Sunday program "Inter-American Sports Network," which has been running for seven years, reports soccer scores from American cities and from all over the hemi-

sphere. He also gives the results of tennis matches. The program is picked up by 200 radio stations in Latin America, which means an audience in the millions. Uncal has another program devoted to soccer playoff matches leading to the world cup.

An FAS5 earning $25,177 a year, Uncal is a U.S. citizen. He came here "11 years, three months and seven hours ago," he says the day of an interview. Sent by his Argentinian radio station to cover the U.N., he married a Peruvian, worked for the U.N. radio briefly, and joined VOA in 1967.

Today, at 51, Uncal enjoys popularity not only for sports reporting (with the exception of Uncal's sports programs VOA avoids sports reportage) but for his "Latin American Hit Parade" weekly program. "I used to write lyrics for tangos but I had to give it up. My wife was zealous . . . no, that's wrong . . . jealous!", he says.

The Latin American division is newly christened the "American republics division" in order to embrace the Caribbean island states-broadcasts in English, Spanish, Portuguese and French.

Within the hemisphere, Uncal explains, soccer is the most dominant game. Baseball is played in Venezuela, Cuba, Mexico and Central America; American football only in Mexico. "When they send me rugby reports from Argentina I say forget it, no one else plays rugby. But soccer!

"When I arrived here the New York Cosmos couldn't get 10 people to watch a game. The day Pele retired, 77,000 people were crying all over the stadium. I'm still getting requests for copies of that program. Today you see 42,000 at a game. You see the (former) secretary of state. Every Sunday the first report Kissinger received when he was secretary were the results of the German soccer games."

The Latin American communities in the U.S. have played a large part in this soccer explosion, he says. Uncal launches into a mild attack on the practice of importing high-priced European players rather than encouraging American players. "Of 480 players in the North American Soccer League 60 percent are British, 15 percent Yugoslav, 14 percent German and only nine percent Americans and Latins," he says. "The British are content to discourage Americans from believing they can play soccer."

Next month, Uncal goes to Argentina, his former country, to cover the last 16 games that lead to the cup final. As he moves around the grandstands, few will recognize the small, silver-haired man. His voice is another thing. You may hear it coming out of a shortwave radio hanging from the horns of an ox, with a sports-loving farmer listening as he ploughs, or blaring out in some sleepy cantina on a Sunday evening.

Mr. THURMOND. Mr. President, prior to proceeding, I have some other matters.

SOUTH CAROLINA GENERAL ASSEMBLY CALLS FOR A CONSTITUTIONAL CONVENTION TO BALANCE THE FEDERAL BUDGET

Mr. THURMOND. Mr. President, the Senate recently approved the Conference Report on Senate Concurrent Resolution 80, the first concurrent budget resolution. The resolution authorizes a Federal deficit of $50.9 billion for fiscal year 1979. This is the 10th consecutive year of deficit spending. In fact, we have had a balanced budget only once in the last 18 years.

As we all know, professional economists are continuously debating the pros and cons of deficit financing and its effect on unemployment, interest rates, inflation, capital formation, and State and local government expenditures. From these debates, there are no clear answers. However, I believe that it is clear, even to the layman, that there is no "free lunch." There will always come a day of reckoning, a day when we must pay up.

Our Nation may be the richest on Earth, but unless we learn to live within our means, I fear that uncontrolled inflation will rapidly eat away at our Nation's economic health. My home State of South Carolina, like many other States, has a balanced budget. It is a constitutional requirement. What the States can do, the Federal Government can do, too.

On May 16, 1978, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States to call a Constitutional Convention for the purpose of amending the Federal Constitution to limit annual Federal appropriations to annual revenues, with certain exceptions.

On behalf of the junior Senator from South Carolina and myself, I ask unanimous consent that this resolution be printed in the RECORD following these remarks.

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

A CONCURRENT RESOLUTION

Whereas, with each passing year this Nation becomes more deeply in debt as congressional expenditures grossly and repeatedly exceed available revenues so that the public debt now exceeds a half-trillion dollars; and

Whereas, attempts to limit spending by means of the new congressional budget committee procedures have proved fruitless; and

Whereas, the annual Federal budget repeatedly demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal government to curtail spending to conform to available revenues; and

Whereas, the proposed budget of five hundred billion dollars for fiscal year 1978–1979 does not reflect total spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, believing that fiscal irresponsibility at the Federal level, with the resulting inflation and decline in the Nation's trading position is a growing and corrosive threat to our economy, to the well-being of our people, and to our representative democracy, that constitutional restraint is necessary to bring the fiscal discipline needed to reverse this trend. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That Congress is requested, pursuant to Article V of the United States Constitution, to call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution.

Be it further resolved that the proposed new amendment read substantially as follows:

"PROPOSED ARTICLE XXVII

"The total of all federal appropriations made by the Congress for any fiscal year shall not exceed the total of the estimated federal revenues for that fiscal year, excluding any revenues derived from borrowing, and this prohibition extends to all federal appropriations and all estimated federal revenues, excluding any revenues derived from borrowing. The President in submitting budgetary requests and the Congress in enacting appropriation bills shall comply with this article.

"The provisions of this article shall be suspended for one year upon the proclamation by the President of an unlimited national emergency. The suspension may be extended, but not for more than one year at any one time, if two-thirds of the membership of both Houses of Congress so determine by Joint Resolution."

Be it further resolved that copies of this resolution be forwarded to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of Congress from South Carolina.

ILLEGAL ALIENS AND UNEMPLOYMENT

Mr. THURMOND. Mr. President, last week, the American Legion participated in the Senate Judiciary Committee hearings on the illegal alien issue facing our country today and S. 2252. Mr. Philip Riggin articulated very effectively the American Legion's strong concerns with illegal aliens competing with veterans for jobs and the drain on our economy caused by unemployment and welfare paid to displaced American workers.

They cannot agree with the so-called "amnesty" provision provided in S. 2252.

Mr. President, I ask unanimous consent that the American Legion statement presented by E. Philip Riggin, Assistant Director, National Legislative Commission, be printed in the RECORD at the conclusion of my remarks, and recommend its reading by all Members of this body.

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

THE ILLEGAL ALIEN ISSUE AND S. 2252

Mr. Chairman and Members of the Committee: The American Legion appreciates the opportunity to testify on a problem of growing concern to the Legion and the overwhelming majority of the American people. That problem is the rapidly rising number of illegal aliens in the United States and the increasing impact they are exerting on our economy. We are especially concerned with the adverse impact of illegal aliens on the employment of veterans, and particularly on the employment of minority veterans, who are coming more and more into direct competition with illegal aliens for jobs in urban areas.

We would like to begin by discussing some of the salient features of the illegal alien problem.

The most basic and perhaps the most disputed point pertaining to this issue is the number of illegal aliens in the United States. In a 1975 study done for the INS Lesko Associates estimated that there were 8.2 million illegal aliens in this country. Other estimates range from 3 to 12 million. The only certain data on which to base an estimate are the numbers of illegal aliens apprehended. That number has been steadily rising, from about 150,000 in 1967 to more than a million last year with a great majority of such apprehensions taking place at the U.S.-Mexican border. According to INS Commissioner Castillo, "for every person caught at the border, perhaps three to five get through." Even if we are more conservative than Mr. Castillo and estimate that only two people get through for every one caught, we may conclude that about 2 million illegal aliens slipped past the Border Patrol last year alone. A total of well over 6 million il-

legal aliens have been apprehended during the past 10 years. Assuming that one out of three were apprehended, and that half of those who were not caught returned home voluntarily, that still leaves an accumulation of 6 million or so illegal aliens during the past decade. Thus we believe that the estimate of 6 to 8 million illegal aliens is not an unreasonable one.

Most—about 80 percent—of the illegal aliens come from Mexico, another 10 percent are from other Latin American and Caribbean countries, and about 10 percent are from other parts of the world, especially South and East Asia. Many of the Mexicans and other Latin Americans cross the U.S.-Mexican border at night or are smuggled across by so-called "coyotes." Hundreds of thousands entering from other parts of the world—and many Latin Americans—arrive with tourist or student visas and simply do not go home. More than 7.5 million nonimmigrant aliens enter the U.S. each year on such temporary visas. The INS has no precise idea of how many return home before their visas expire, but most authorities agree that hundreds of thousands of "visa abusers" illegally remain in the U.S. every year, concentrating especially in the metropolitan areas of the east and west coasts. Yet another category of illegal aliens are those who successfully enter the U.S. through the use of fradulent documents or claims of admissibility at ports of entry. The INS estimates that more than 500,000 aliens entered the U.S. by such means in 1976 alone. Another source of illegal aliens are crewmen aboard foreign ships, thousands of whom "jump ship" every year.

In the past, most illegal aliens did "stoop labor" in the agricultural areas of the South and West. But in recent years they have moved increasingly to the towns and cities in all parts of the country. According to former Congressman Herman Badillo, "The flow of illegal immigrants has increased radically since 1970, and no where is that increase more dramatic than in major urban areas like New York." The INS estimates that there are more than 1 million illegal aliens in the New York metropolitan area, about 1 million in the Los Angeles area, 500,000 in Chicago, 300,000 in Miami, 50,000 in Washington, D.C., and hundreds of thousands in cities such as Dallas, Detroit, Philadelphia and Denver.

A related phenomenon is that illegal aliens are obtaining increasingly better jobs. In 1976, two-thirds of the illegal aliens apprehended by the INS were employed in industry, service, and construction. Only one-third were employed in agriculture. Mr. Jesus Romo, head of a coalition of Mexican-American labor organizations, recently estimated that only 15 percent of the illegal aliens in the U.S. were employed in agriculture. Of 1,500 aliens caught in Detroit in 1974, 900 held jobs in heavy and light industry and construction, and 70 percent earned more than $4.50 an hour. Spot checks made by the INS in Los Angeles of nearly 9,000 illegal aliens showed that about half were working in heavy industry at wages of $4.50 to $6.50 per hour, while another 2,000 had jobs in light industry earning $2.50 to $3.55 per hour. According to a study done by David North and Marion Houstoun for the Department of Labor in 1976, only 20 percent of the illegal aliens sampled had been paid less than the minimum wage. Only 3.5% of those questioned in the North-Houstoun study claimed that they had been "badly treated" and only 16% reported that they had been paid less than their legal coworkers. Thus it is simply not true that the majority of illegal aliens work for less than the minimum wage, are "exploited", or do menial work Americans are unwilling to do.

The principal concern of The American Legion with regard to illegal aliens is that they are increasingly competing with veterans in a tight job market. That competition especially affects the employment prospects of unemployed black veterans, who are concentrated in the large cities to which increasingly larger numbers of illegal aliens are gravitating. More than 30 percent of the minority veterans in the 20-24 age bracket are unemployed. The illegal aliens are also in direct competition with black youths, whose employment rate is between 35 and 40 percent and with Mexican-American youths, who have an unemployment rate of 45% in the Los Angeles area. They also compete with other Mexican-Americans, Puerto Ricans, and legal aliens, all of whom have a legitimate right to employment in the United States.

We are also concerned with the drain on our economy caused by the estimated $3–$10 billion sent abroad annually by illegal aliens. It is probably true that most illegal aliens avoid applying for welfare programs out of fear of being caught. But according to the Federal Advisory Committee on False Identification report issued in 1977,"Many illegal aliens use false identification to obtain welfare and other benefits at taxpayers' expense." And one must take into consideration an indirect cost of this practice—the unemployment and welfare payments paid to displaced American workers.

That summarizes the illegal alien problem as we see it. In seeking a solution to the problem we find that the legislation under consideration—S. 2252—contains two principal provisions. One would penalize employers who knowingly hire illegal aliens. The second would grant permanent resident alien status to illegal aliens who entered the U.S. on or before January 1, 1970 and temporary alien status to those who entered the U.S. between that date and January 1, 1977.

We agree that the imposition of penalties against employers who knowingly hire illegal aliens is an essential part of any program to effectively control the inflow of such aliens. We also agree that this penalty should be civil rather than criminal, that the fine assessed for each offense should be about $1,000, and that those who assist illegal aliens to find or retain employment should be subject to more severe punishment than employers.

But we cannot agree with another key feature of S. 2252—the so-called "amnesty" provision—for several reasons.

First, an amnesty would only compound the problem, not help solve it. Dr. Bustamente, Mexico's leading authority on illegal aliens in the U.S., recently warned that any amnesty for illegal aliens would encourage hundreds of thousands more Mexicans to come north in search of employment. Once the precedent was set, it would be difficult to deny similar amnesties to future arrivals. Indeed, in view of the Carter administration's assurances that there will be no "mass deportations," what would become of the 2 million or so additional aliens who will have entered the U.S. between January 1, 1977 and the enactment of the proposed legislation?

Second, problems are bound to arise in implementing the amnesty. It is quite possible that many illegal aliens who can prove residence prior to January 1, 1970 would come forward. But what about those who fall in the second category, who arrived between that date and January 1, 1977? Many, we believe, would submit false documents and affidavits to claim residence prior to January 1, 1970, while many others would remain in hiding, realizing that the avowed purpose of the second category is to obtain a "headcount" and that there is at least some possibility of being deported after 5 years.

Third, such an amnesty would be unfair to those who have gone through legal channels to obtain visas.

Finally, although S. 2252 grants permanent resident alien status only to those who entered the U.S. prior to January 1, 1970 and relegates those who entered between that date and January 1, 1977 to a sort of "limbo" status, we believe that in all probability all aliens covered by the legislation would eventually be eligible for permanent residence status. There are perhaps some 5 million adults among the 8 million or so illegal aliens and under the proposed amnesty each of those people would be immediately eligible to sponsor the admission of their immediate family members. Thus approximately 25 million relatives of the "amnestied" aliens would be eligible to legally emigrate to the United States, and there is every reason to believe that many would avail themselves of this opportunity. The sudden influx of such numbers would exacerbate our unemployment problem and have other economic and social repercussions. This factor, we believe, has thus far received little attention and deserves careful consideration.

In our opinion several provisions which are essential components of any successful alien control program have not been included in the proposed legislation.

There is need for legislation providing for the seizure of vehicles used to smuggle aliens into the U.S. and for the imposition of stiff penalties against such smugglers. The INS cannot now legally confiscate these vehicles despite the fact that some have been detained more than 20 times. The fines imposed on the 5,000 or so smugglers prosecuted annually have been low and their jail sentences have been short. Sterner measures against the so-called "coyotes" would obviously go a long way to reduce the influx of illegal aliens. We should perhaps also consider increasing the number of judges handling such cases to help cope with the enormous backlog.

We believe that there is a need for some formal mechanism, perhaps an independent agency, to coordinate matters related to immigration by combining the responsibilities of the Visa Office of the Department of State, the Immigration and Naturalization Service, and the Labor Department component dealing with foreign worker programs. It, hopefully, would institute a computerized immigration control system to keep tabs on the entry and departure of nonimmigrant aliens and coordinate closely with the Social Security Administration, the Customs Service, the Drug Enforcement Agency, and other relevant agencies.

We agree with the Carter administration that the government should develop counterfeit-proof social security cards which would be coded electronically and read only by computer. But such "fool-proof" social security cards must be granted on the basis of valid background documents. A tamper-proof identification system bears directly on two provisions of S. 2252—the documentary proof of work eligibility to be presented to employers and the documentary proof of residence prior to January 1, 1970 or January 1, 1977. The illegal alien—or the citizen, for that matter—can easily obtain all sorts of counterfeit documents. One forger in a Mexican border town was recently reported to have sold nearly $250,000 worth of false birth certificates in just three months. A journalist researching the illegal alien problem in Chicago filed another recent report that "In the bars of 18th Street or Blue Island Avenue a newcomer without documents can buy false identifications—anything from a social security card to a driver's license, a draft card, a birth certificate, a voter registration card, or a 'green card' authorizing permanent residence."

Thus it is imperative that Congress enact legislation which would prohibit the knowing use or supplying of false information of falsified documentation when obtaining Federal identification documents, prohibit the use of mails to ship false docu-

ments, and prohibit the unauthorized production or alteration of any Federal identification document. Once enacted, such legislation must be enforced by spot checking for the validity of documents submitted for social security cards or as proof of the right to employment. Consideration should also be given to such measures as establishing a national death reporting system to curb the use of birth certificates of people who have died.

Finally, there are two other aspects of the administration's alien control program on which we would like to comment.

The first is its recommendation that the strength of the Border Patrol be significantly strengthened. We agree that that is a necessary measure, and urge that the manpower of INS district offices be increased.

The second is economic assistance to help develop the economies of the countries in which the illegal aliens originate. Such proposals range from the distribution of food stamps to Mexico's poor to a Marshall Plan for Latin America. Typical of such programs is the one suggested by Sen. Bentsen, who proposed the setting up of a Joint U.S.-Mexico Development Fund, in which the U.S. and Mexico would invest $1 billion each to finance the development of labor-intensive industry in Mexico.

We are not opposed to such aid programs, but believe that it would be unrealistic to expect too much of them. Although Mexico's economy has been growing, its population has been growing even more rapidly.

Mexico already has an unemployment-underemployment rate of about 40 percent and about 800,000 young Mexicans reach the working age every year. Thus Mexico must create nearly a million new jobs a year merely to maintain the status quo. But there is more to the problem than that. As Wayne Cornelius of MIT has pointed out, "It is clear that the huge wage differentials (often 3-4 times) between the U.S. and Mexico are more important than outright unemployment."

For the first time in history of our foreign economic assistance efforts we must be concerned not so much with the prevailing wage rates in the recipient country as with increasing those wages in relation to the prevailing wage rates in the United States. It is not enough to put a shovel in a Mexican's hand and pay him three dollars a day when he could be making three dollars an hour in Chicago or Detroit.

One specialist estimates that $10 billion a year would be required to merely create the new jobs required. We have learned of an AID study which estimates that $50 billion would have to be invested in Mexico, Central America, and the Caribbean countries to substantially reduce the flow of illegal immigrants.

The key to any long-range solution to the problem is controlling population growth in the countries in which illegal aliens originate. The population of Mexico, now 65 million, will double to 130 million by the year 2000 and to 260 million 20 years later, while most of the other countries will be experiencing similar population explosions. Thus we believe that U.S. aid funds could be best utilized in helping set up effective nation-wide population control programs.

In sum, we believe that it would be unrealistic to assume that economic assistance programs could solve or significantly reduce the problem in the foreseeable future. Emphasis must be placed on measures within the United States, such as those we have outlined.

If anything is certain about the illegal alien problem it is that it is not going to go away. The longer we delay the worse the problem is going to become. It is imperative that Congress move swiftly to enact effective legislation to, if not totally end immigration, at least bring it under control.

THE ADMINISTRATION POSITION ON NUCLEAR FUEL REPROCESSING

Mr. THURMOND. Mr. President, I am submitting for the RECORD two recent Washington Post articles which underscore what I have been saying on the Senate floor for over a year now. President Carter's indefinite deferral of commercial nuclear fuel reprocessing in the United States is having no impact whatsoever overseas. The front page article in the May 20 edition of the Washington Post stated: "Japan to Proceed With Plutonium as Nuclear Fuel." The reason, as explained by the article, is that the Japanese have no other way to go. In addition, I am submitting a second article from the May 25 edition of the Washington Post which is captioned: "India Reported Operating Its Second Plutonium Plant."

Mr. President, by absolutely foreclosing any prospect for reprocessing capability in the United States, President Carter is forcing other nations to move ahead faster on their reprocessing plans than they otherwise would. This effort is exactly the opposite of what the administration's goal is and clearly demonstrates how the present policy is bankrupt.

I ask unanimous consent that the articles to which I have referred be printed in the RECORD at this point:

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

JAPAN TO PROCEED WITH PLUTONIUM AS NUCLEAR FUEL

(By Thomas O'Toole)

Japan has told the United States it will spend more than $1 billion to finance plutonium reprocessing plants in France and Great Britain, thus ending any hope the Japanese will not use plutonium as a nuclear fuel.

The Japanese plan comes as a blow to the Carter administration, which earlier this year asked Japan to forgo any plutonium reprocessing plans for at least two years. In effect, Japan has told the Carter administration it cannot do that because it will need the plutonium to fuel its industry in the years ahead.

"We expressed the view that we hoped they wouldn't do it and they explained to us why they have to do it," said one informed source in the Carter administration. "They explained they have no other way."

A delegation from Japan spent most of the past week in Washington, informing the State Department, the Department of Energy and the Nuclear Regulatory Commission of its plutonium plans. The Japanese government expects to make them public in Tokyo next week.

The Japanese plan to sign long-term contracts for France and Great Britain to take Japan's spent nuclear fuel, extract the plutonium from it and ship the plutonium back to Japan.

The Japanese intend to pre-pay for the reprocessing by helping to finance construction of a reprocessing plant at Windscale in Britain and expansion of an existing facility at Le Havre in France.

The British Parliament only last week authorized construction of the Windscale plutonium plant, which is to have a rated capacity of 1,600 tons of spent fuel a year. The French plant at Le Havre now reprocesses 400 tons a year and will be expanded to 1,600 tons.

Japan will pay more than $1 billion to France and Great Britain as its share of construction costs. Japan has chosen to acquire its plutonium from France and Great Britain rather than build its own plant because it is faster to do it that way.

The Japanese move was described by one Carter administration official as the "first crack in the dike," meaning that Japan was the first major country to formally move away from President Carter's policy of forgoing the use of plutonium as a nuclear fuel. Other nations, ranging from Latin American countries such as Brazil to most of Western Europe, are contemplating similar decisions toward a "plutonium economy."

Japan's move raises some delicate questions about how the United States might react. Japan's 15 nuclear plants operate on enriched uranium supplied by the United States. Legally, Japan owns whatever plutonium is built up when the uranium is burned, but under the American agreement the United States has the right to approve or disapprove the extraction and transfer of that plutonium in Japan.

"I doubt very seriously the U.S. would cut the Japanese off from its supply of enriched uranium," one Carter administration source said. "But I don't think we'd make any such commitments on the plutonium."

In addition to the 15 nuclear plants it has, Japan is building 13 more. Japan insists it cannot count on fueling these plants with enriched uranium and thus needs to power them with plutonium.

President Carter has deferred indefinitely U.S. use of plutonium and has asked the rest of the world to follow the example. The way the president delayed the U.S. plutonium decision was to withhold funds for the Clinch River fast breeder reactor in Tennessee that would produce plutonium and for the reprocessing plant at Barnwell, S.C., that would extract plutonium from spent fuel.

Like the United States, Japan stores spent fuel in huge "swimming pools" of water located adjacent to the nuclear power plants. The Japanese have told the United States they are running out of storage space for spent fuel, another reason they must have the spent fuel reprocessed.

INDIA REPORTED OPERATING ITS 2ND PLUTONIUM PLANT

(By Thomas O'Toole)

India is operating its second plutonium reprocessing plant and intends to build a third alongside a plutonium breeder reactor it plans to construct near the city of Madras.

These unclassified plans were outlined last Monday by the Central Intelligence Agency in closed session and discussed again yesterday in open testimony by the State Department before the subcommittee on arms control of the Senate Foreign Relations Committee.

"There is no evidence to indicate that India is doing anything with its plutonium except to store it for use in its breeder program," Deputy Under Secretary of State Joseph S. Nye told the subcommittee. "Besides, the amounts of plutonium involved are not large."

The plutonium reprocessing plant in operation is located at Tarapur, where a large nuclear power plant fueled with enriched uranium supplied by the United States is located. Nye said the plutonium being extracted in the reprocessing plant is being taken out of spent fuel built up in four research reactors scattered around India.

"The plutonium being built up in the plant at Tarapur is still locked up in spent fuel rods," Nye said, "Which are being held

in swimming pools of water right at the reactor."

Nye estimated that there are 200 tons of spent fuel in India, under water at swimming pools at the three large nuclear power plants operated by India. A fourth nuclear power plant will soon be completed in India. The three power plants operating and the fourth being built come under international safeguards, meaning their plutonium cannot by law be made into nuclear weapons.

None of India's four research reactors and neither of its two existing reprocessing plants is safeguarded, Nye said. There was no indication that the third reprocessing plant and the plutonium breeder planned near Madras would be safeguarded.

Plutonium extracted from the first reprocessing plant near Trombay was used to make the nuclear bomb India exploded in 1974. This plutonium came from spent uranium fuel supplied by Canada and irradiated with the help of 21 tons of heavy water shipped to India by the United States in 1956.

"Those initial agreements were written much too loosely," Nye said. "Our present agreements are much tighter."

Nye and the four commissioners of the Nuclear Regulatory Commission testified before the Senate subcommittee on an export license involving the shipment of 7.6 tons of American uranium bound for the plant at Tarapur. In a 2-to-2 vote last month, the NRC turned down the export license, but President Carter issued an executive order approving it and in effect overruling the NRC.

Congress has 60 days from the date President Carter approved the export license (April 27) to block the move. It would take a majority vote of each house to stop the export.

The two NRC commissioners, Victor Gilinsky and Peter Bradford, who voted against the export indicated they would approve it if India agreed to put all their nuclear facilities under safeguards.

Nye said that, even if India does not agree to safeguard all its nuclear facilities, he feels the fuel bound for Tarapur would be safe.

"I think if India enters into any kind of legal agreement," Nye said, "it will be kept."

The news that India plans a plutonium breeder brings to at least seven the number of countries operating or planning breeders. The others are the Soviet Union, France, Great Britain, Japan, Belgium and West Germany. The United States had planned a breeder for Clinch River, Tenn., but it was blocked by President Carter.

MISS LYDIA DAVIS NAMED "YOUTH OF THE YEAR" BY DOTHAN EXCHANGE CLUB

Mr. ALLEN. Mr. President, during each school year, the Dothan Exchange Club, a distinguished civic organization in the city of Dothan, Ala., selects an outstanding student to receive its "Youth of the Month" award. Then, at the end of the year, and through competition, one of these is named "Youth of the Year." In addition to scholastic achievement, and extracurricular activity, the "Youth of the Year" award is based on an essay on a patriotic theme. This year's winner, Miss Lydia Davis, a senior at Dothan High School, wrote an essay entitled "My Country—Tomorrow," which issues a strong challenge to the people of our great country, and contains some encouraging thoughts about our future.

Mr. President, I am greatly impressed by Miss Davis' views as expressed in her essay, and wish to share them with other Senators. I ask unanimous consent that this essay be printed in the RECORD.

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

MY COUNTRY—TOMORROW

It is an awesome thing for me, as a youth, to foresee my country tomorrow. In today's world, in which I and the youth of the United States have grown up, we dare not dream of anything and consider it impossible. In our short lifetime, the average young person has already seen many things, once only dreams, develop into realities. We can easily observe this fantastic progress simply by looking back at others' dreams, things which we now consider common luxuries or even necessities. For instance, what person two hundred years ago would have thought of having a pencil with an eraser or having plain paper premarked with lines and margins? Furthermore, what youth today could picture himself without them? Who of us living then would have ever dreamed of having vaccinations for small pox, measles, polio and the many, many others we now take for granted each year. Then, who among us, had we been colonists struggling to settle this vast land we now enjoy, would have dared dream of a democratic government in which the people themselves would rule through those *they* had chosen? You and I are living comfortably in the reality of what—yesterday—were only dreams. My country tomorrow, then, is a country of today's dreams being transformed into reality.

We in the United States share many dreams. We dream of cures for deadly diseases. We dream of higher living standards and successful careers. We dream of a better understanding between the races. We dream of happiness and peace. We dream of perfect democracy and of security in the leaders we have chosen—of the "liberty and justice for all" which we as a nation have striven for over these past two centuries and more.

The actual transformation of these dreams into realities, however, does not begin tomorrow; it begins today for, here in the United States, you and I have more opportunities and available resources to fulfill our dreams than any who ever lived before us. We also have, provided in our heritage, a strong foundation upon which to build these dreams. It is a foundation which has withstood all the trials and triumphs of a nation's struggles to become strong and secure. It is my belief that no stronger statement of this foundation can be found than in our country's pledge of allegiance. This is illustrated by Senator Jim Allen in his newsletter for March of this year. After attending the annually held National Prayer Breakfast in Washington, Senator Allen reports to the people two impressions he there received; and I quote, "We are truly one Nation under God; and as James writes 'the effectual fervent prayer of a righteous man availeth much.' If we have the determination to build on this foundation, I am thoroughly convinced that my country tomorrow can be whatever it chooses to be. My country tomorrow can be a land full of dreams fast becoming reality. That country, however, has no choice but to build upon the foundation left for it by my country today. It all begins today—here and now—with you and with me."

TRIBUTE TO DR. GEORGE HYATT, JR.

Mr. MORGAN. Mr. President, the Tarheel State justifiably boasts of having the Nation's best Agricultural Extension Service. On June 30, an individual who has contributed most significantly to the excellence of our Extension Service, Dr. George Hyatt Jr., will retire.

As the Members of the Senate know, the Extension Service has been at the cutting edge of the development of American agriculture. Working hand-in-hand with the Agricultural Research Service, other components of land grant institutions and other organizations involved in strengthening American agriculture, the Extension Service has been at the forefront of the demonstration of new hybrids, improved animals breeds, the utilization of new farm technology and in the implementation of improved farm management practices.

We who have had the opportunity to know George Hyatt know him as a superb human being. But George Hyatt is more. He is a first-rate manager, teacher, and scholar. Most importantly, Dr. Hyatt's relationship with the farmers of North Carolina has been strong. Being a farmer in Harnett County, I can testify to this firsthand.

The Extension Service has played a most formative and critical role in the advance of farming in North Carolina. Dr. Hyatt has developed a highly trained, well motivated, innovative and knowledgeable corps of Extension agents. In fact, North Carolina has one of the two largest Extension Services in the country, a growth that has been due to his creative and firm leadership.

As one might expect from his strong record, Dr. Hyatt's service has been highly recognized. It would not be possible to list all of his awards here but certainly his receipt in 1974 of the Distinguished Service Award from the U.S. Department of Agriculture is an indication of his contribution to the betterment of farming.

It would not be complete to say that George Hyatt has touched only the lives of farmers. Certainly Dr. Hyatt's work with the home economics segment of the Extension Service has been quite important.

Also, I would be remiss in my comments if I did not mention Dr. Hyatt's work with 4–H, work that has paid off in many national awards for North Carolina's youth.

It is an understatement to say that North Carolina will miss George Hyatt. We are reassured that George and his wife Virginia will continue to reside in Raleigh. This fact certainly will be comforting to our Extension personnel who will be calling on him to share ideas for improving the lives of North Carolinians.

Mr. President, I came across an article in the May issue of Tobacco Farmer which presents a good profile of this extraordinary individual. In order to make my tribute to George Hyatt more complete, I ask unanimous consent that the complete text of this article by Bill Humphries appear in the RECORD.

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

DR. GEORGE HYATT, JR.

In the mid-1960s, growing and marketing an acre of flue cured tobacco required about 600 hours of labor. Today, even without bulk

curing or mechanical harvesting, the job can be done with just one-third as much labor. And with these two innovations, only 100 hours of labor are needed.

Dr. George Hyatt Jr., director of the North Carolina Agricultural Extension Service, cites these figures to show that tobacco farming has changed tremendously in a relatively short period of time.

"In fact," he said, "with the possible exception of poultry and perhaps hogs, I don't know of a farm enterprise in North Carolina that has undergone more change in the past 10 years than tobacco."

The Extension Service, of course, has helped bring about much of the change that has occurred, not only in tobacco production but throughout agriculture. The agency's primary function is to introduce new and better techniques, ideas and practices to farmers and homemakers.

Hyatt, 63, plans to step down June 30 as director of Extension and associate dean of the School of Agriculture and Life Sciences at North Carolina State University. As much as any other commodity group, tobacco farmers will hate to see him retire.

Born in Toledo and brought up on a dairy farm in southern Michigan, Dr. Hyatt came to North Carolina in 1952 as specialist in charge of NCSU's Extension dairy work. He was named head of the animal science department in 1958, associate director of Extension in 1961, and director in 1963. He was made associate dean in 1973.

One of his first acts as director was to establish a strong professional improvement program for Extension workers. Led by Dr. Edgar J. Boone, the program has evolved into the Department of Adult and Community College Education at NCSU. Several hundred Extension agents, specialists and administrators from 40 states and eight foreign countries have graduated from the program.

"We must have—and I believe that today we do have—a well trained group of Extension people working all across the state," Hyatt said. "This is important because in modern agriculture there must be a constant flow of up-to-date information to our farmers. Tobacco growers, for example, can't afford to wait a year or so for new information from research. They must be kept up-to-date all the time."

Another area in which the N.C. Extension Service has gained national recognition is long-range planning. Three statewide five-year programs have been completed and a six-year program, known as "4-Sight," was launched in 1977.

Nearly 10,000 local citizens were involved in the county-by-county development of the current program. This "has given us a grass-roots approach to our program that we just couldn't have had otherwise," Director Hyatt said. Each county set specific goals for 1982 in 4–H Club work, family living, income from various farm commodities, and other areas. Statewide goals were also developed. At least 26 other states have used North Carolina's long-range program procedure as a model.

A few months ago Philip Morris, U.S.A., announced a grant of $240,000 to the N.C. Extension Service to strengthen its educational efforts, particularly in tobacco. NCSU officials considered this a strong "vote of confidence" in the agency by the cigarette manufacturing firm.

How does Director Hyatt view the future of tobacco?

"There's a lot of uproar about tobacco and smoking in this country right now," he said. "I see in our state a continuing effort to grow a quality crop of tobacco. I think we'll be doing that many years from now and still making some money at it. I don't see anything in the picture that would radically change this direction or diminish the importance of this crop in North Carolina."

Does he think there will still be people smoking for many years to come?

"I certainly do. And if we don't furnish them the product they want, I think somebody else, some other area of the world will furnish them."

Will the flue cured crop become completely mechanized?

"I would guess we'll certainly have 80 to 90 percent of it mechanized, although a small proportion may be hand handled."

Will U.S. growers be able to hold their export markets?

"This is a complex problem right now. As we are well aware, there are many potential dangers in the future in this. But I do think we can hold our export markets. I think the quality and the kind of tobacco we produce will continue to be in demand in many countries."

Hyatt said one of the exciting things he has seen since coming to North Carolina 26 years ago has been the great diversification that has taken place in the state's agriculture.

"By no means have we de-emphasized tobacco. In fact, our educational program for tobacco growers is stronger now than ever, and income from the crop has continued to rise and is now about $1 billion a year. At the same time, we have also expanded many of our other crops and our livestock and poultry, so that income from these sources now totals about $2 billion a year."

Hyatt said he has been amazed at the speed with which Tar Heel farmers in recent years have accepted "new information, new techniques, new ways of doing things." He said the state's farm and agribusiness people give strong support to a number of NCSU foundations "which really push the University into spending money to develop new ideas and techniques that they can use."

In 1974 Hyatt received a Distinguished Service Award from the U.S. Department of Agriculture for "exemplary leadership in forging linkages of public and private resources in developing a Rural Development Program that has touched the lives of millions of North Carolinians."

He has served for several years as chairman of the State Rural Development Committee, which is composed of representatives of most public and private organizations in the state that have programs affecting rural people.

A director of the National 4-H Council and a former chairman of the National Extension Committee on Organization and Policy, he currently is on a USDA Task Force to evaluate Extension work in the United States.

At its 1978 institute, the N.C. Farm Writers and Broadcasters Association elected Hyatt an honorary member—one of only six in its 26-year history. An engraved plaque awarded to him at the time said simply, "He helped us."

Other honors have come from the N.C. State Grange, The Progressive Farmer, The News and Observer of Raleigh, and Epsilon Sigma Phi, the national fraternity of Extension workers, which cited him for distinguished service.

He holds degrees from Michigan State, Rutgers and the University of Wisconsin, and has served on the faculties of West Virginia University and the University of Maryland.

Dr. Hyatt and his wife Virginia plan to continue making their home at 1419 Lutz Ave., in Raleigh. They have three sons, all of whom attended NCSU, and three grandchildren.

The sons are Charles, a nuclear engineer with Westinghouse at Columbia, S.C.; Martin, who is doing mosquito control work for the South Carolina Department of Environmental Services, Charleston; and Bill, an aerospace engineer with Pratt & Whitney, West Palm Beach, Fla.

As for hobbies, Hyatt likes to play golf and enjoys working in the yard, doing a little gardening. After retirement he also hopes to ge back and spend some time on the home farm which he and his brother own in southern Michigan.

A colleague recently said: "Because of the leadership of George Hyatt Jr., North Carolina State University stands in a closer relationship with the people whom it was created to serve. He has strengthened the ties between the field faculty and the campus faculty, and he has brought thousands of local leaders into a planning partnership with their land-grant university."

When Dr. Hyatt started out in 1952 on his first Extension assignment from NCSU, long-time dairy specialist John A. Arey called him aside and said: "Now George, when you go out there in the field, don't tell those dairymen to do something that isn't right—because they are going to do it."

Recalling this incident recently, Hyatt commented: "As Mr. Arey indicated, the people of North Carolina have great respect for this University. I've been tremendously impressed by this, and also by the people's willingness to support our various foundations and to furnish the lay leadership for a very strong rural development program."

TOBACCO'S ECONOMIC IMPORTANCE

Mr. MORGAN. Mr. President, on May 18 the U.S. Department of Agriculture released a report of great significance to North Carolina. This report, which was prepared by the Department's Tobacco Task Force, provides an objective and comprehensive review of the economic importance of the U.S. tobacco industry. As many members of this body know, North Carolina is the leading producer of tobacco in the Nation. Tobacco provides North Carolinians with hundreds of thousands of jobs in farming, processing and marketing. Also, tobacco earned over one billion dollars in exports last year alone. Mr. President, in the interest of sharing this valuable and timely document with my colleagues, I ask unanimous consent that it be printed in full in the RECORD.

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

THE ECONOMIC IMPORTANCE OF THE U.S. TOBACCO INDUSTRY

PREFACE

This study of the U.S. tobacco industry was undertaken at the request of the Department's Tobacco Task Force for comprehensive examination of the position of this industry in the nation's economy. This study is designed to provide producers, marketing and manufacturing firms, legislators, Government and trade association officials, and others interested in the tobacco industry with a compilation of numerous data series and some heretofore unavailable information concerning the tobacco economy.

No conclusions or value judgments, expressed or implied, are offered in this report.

The principal areas covered are as follows:

(1) The relative size and position of the tobacco industry in the economy;

(2) Comprehensive national estimates for calendar years 1976 or 1977 are presented for each sector of the industry from the leaf grower to the retailer, covering number of business units, sales, and employment;

(3) The goods and services which the

tobacco farm production industry purchases from its principal suppliers, and thus measures the direct impact of the industry beyond the consumer expenditure purchases made by farm workers; and

(4) State distribution of the industry sectors, and the importance of each industry sector in the various States.

The study was based on available data drawn from a wide variety of sources, governmental and private, including unpublished sources. The important data sources are indicated in the tables. Some of the estimates, in particular those on a State-by-State basis, are presented only as reasonable approximations. In all instances such estimates were derived by generally acceptable statistical distributional techniques.

I. OVERVIEW: THE TOBACCO INDUSTRY IN THE NATIONAL ECONOMY

The tobacco products industry has its roots in a number of major sectors of the American economy. The tobacco industry covered by this report is defined broadly to include all agricultural, manufacturing, and trade activity involving leaf and processed tobacco—from the leaf grower to the retail outlet. In this section the industry's size and relative position in the U.S. economy is compared at several levels—retail, farm, manufacturing, and foreign trade.

Consumer spending

Tobacco production in Colonial America originated to satisfy foreign demand but since the end of the nineteenth century, the domestic market has been the larger outlet for U.S. tobacco. Millions of Americans, around one-third to one-half of the adult population, use cigarettes and other tobacco products. In 1977, the American public spent approximately $17 billion on tobacco products, $16 billion of which was for cigarettes.

Approximately $1 out of every $75 of all retail expenditures is spent for tobacco products. These products account for $1 out of every $27 spent on nondurable consumer goods.

A measure of the size of this industry and its place in the economy may be indicated by comparing the expenditures for its products with those for other well known products, or groups of products (1976 data, latest available).

The $16 billion expenditure on tobacco products in 1976 was about four-tenths (41 percent) of the sum spent for new automobiles. It was one-an-one-half times (151 percent) the sum spent for drugs and sundries. The expenditure on tobacco was about the same as the $16 billion spent for radios, television sets, records, and musical instruments or the same sums spent for personal care (toilet articles, beautician and barber services).

Farm production

A branch of agriculture supplies the principal raw material for the tobacco industry. Although tobacco requires only 0.3 percent of the Nation's cropland, tobacco sales totaled $2.3 billion last year and accounted for 2.4 percent of all farm cash receipts from marketings. Tobacco sales represent 5 percent of cash receipts from crops and usually bring it to a fifth ranking in value among cash crops (after corn, soybeans, wheat, and cotton) and tenth among all U.S. farm commodities (after previous 4 crops plus cattle, hogs, milk, eggs, and broilers). Tobacco sales are twice as great as either rice, potato, or citrus fruit sales, and three times larger than peanuts.

Cash receipts from tobacco sales are trending upward. Last year's total was about three-fourths more than the 1960–64 average. But the rate of increase is less than from the average for all farm commodities. Cash receipts from farm marketings totaled a record-high $95 billion in 1977. But the tobacco share has declined from the 3.6 percent average of all farm cash receipts and government payments during 1960–64. Similarly, tobacco's share of cash income from all crops has declined from the 7.9 percent share during 1960–64.

Manufacturing

A specialized assembly (warehousing), buying, and processing industry purchases leaf tobacco and prepares it for domestic manufacture or export. Some eleven large manufacturing establishments operated by six major firms, produce the industry's principal product—cigarettes—and 261 other establishments produce cigars, chewing and pipe tobacco, and snuff.[1] Transportation, financing, advertising, wholesaling and retailing are among the other important business sectors involved in the tobacco business.

Cigarette manufacturing is by far the largest part of the industry. In 1976, cigarette manufacturers' gross receipts were about $6.0 billion (includes $2¼ billion of Federal excise taxes passed on to the trade). Manufacturers' sales of other tobacco products were approximately $600 million, including $45 million of Federal excises.

The industry's contribution to the tax revenues of the Federal, State, and local governments is derived mainly from the excises levied on the cigarette business. Substantial corporate income and other business taxes are also levied on cigarette manufacturers.

A further measure of the position of the tobacco manufacturing industry can be seen from general statistics for manufacturing industries. Among the 14 broad industry groups (Census, 2 digit code) the tobacco industry is surpassed in such measures as cost of materials, value added by manufacture, value of industry shipments, and capital expenditures by all groups except leather and leather products. Tobacco surpasses the last ranked industry in those size measures by almost 100 percent. This relatively low ranking for tobacco manufacturing nationally is not surprising since by most measures it accounts for less than one percent of U.S. manufacturing costs, value added, or shipments. However, the tobacco industry group ranks second among the 19 manufacturing industries in value added and value of shipments per employee (surpassed only by petroleum and coal products).

When the cigarette industry is compared with various 3-digit Census industries, it ranks similar in employment to such industries as fats and oilseed, floor carpeting, textile finishing (except wool), office furniture, printing trade sources, agricultural chemicals, structural clay products, pottery and related products, plumbing and heating (non-electrical), primary nonferrous metals, wood products, miscellaneous textile products, and miscellaneous chemicals. Because of their high value, shipments of cigarettes generally exceed by a large amount the shipments of the industrials noted above.

Foreign trade

Tobacco ranks fourth or fifth among U.S. agricultural exports in terms of value (after feed grains, soybeans, wheat, and sometimes after cotton). About 33 percent of the crop goes as unmanufactured tobacco and 7 percent is exported as manufactured products. The value of tobacco and product exports totaled $1,732 million in 1977. This included unmanufactured tobacco worth $1,094 million and tobacco products worth $637 million.

Exports last year far exceeded imports which totaled about $373 million, so tobacco contributed about $1.36 billion toward the Nation's balance of payments. The movement of tobacco from redrying plants and storage warehouses to ports and then aboard ships employs many people in transportation, sales, and traffic departments, as well as substantial investment in facilities.

Last year's export total was substantially larger (180 percent) than the 1960-64 average. The major gain has come from price increases since the volume change has been modest. As a result, the tobacco share of U.S. agricultural exports has declined from 7.6 percent in 1960-64 to 4.5 percent in 1976 and 1977. Nonetheless, among major commodity groups, tobacco exports show the least year to year variation in quantity.

Taxes

The U.S. Government, all 50 States, and many local governments tax tobacco products. Federal, State, and local government revenues from tobacco products totaled $6.2 billion last year, an amount equal to about 39 percent of consumer expenditures for tobacco products. Nationally, excise taxes are about 3 times the amount U.S. farmers receive for their tobacco.

In 1977, tobacco taxes accounted for 0.7 percent of total Federal tax receipts and represented nearly 14 percent of all excise taxes. About 98 percent of the tobacco tax revenue came from cigarettes. Among the Federal excise tax categories, tobacco tax receipts are exceeded by alcohol taxes, and manufacturers' excise taxes on gasoline, but are about equal to collections on motor vehicles, and telephone services. With the substantial growth in income and social insurance taxes over the years, the excise share of Federal receipts has gradually declined.

State and local governments receive about 2 percent of their tax revenue from cigarette and other tobacco products excise taxes. Largely collected by State governments where the share of taxes is 3.9 percent, tobacco taxes have exceeded Federal tobacco tax collections since 1969.

II. THE MAIN SECTORS IN THE TOBACCO INDUSTRY

Since the settlement of the English colonies in Jamestown, tobacco has been an important source of American income. Historians record that the settlement of Virginia would have been a failure but for the rapid expansion of John Rolfe's tobacco growing venture in 1612. Tobacco was the leading export commodity through the entire colonial period and into the early years of independence. Settlers moving into the Piedmont and then further west to the Appalachian Mountains and beyond carried tobacco seeds because they could produce a high value crop that surpassed the enormous transportation barriers.

As the domestic and export markets expanded, U.S. tobacco output expanded and shifted to accommodate the differing forms of tobacco use. Over the years, various marketing, processing, and manufacturing facilities have developed for U.S. tobacco along with a host of service and supply industries, and a Government price support and marketing and quota program for growers.

Agriculture

Tobacco is a major agricultural commodity that several hundred thousand farm families depend on for a significant part of their livelihood. Tobacco is one of the few crops that can utilize family labor and still provide a reasonable income on a small farm. About 270 hours of labor is required to produce and market an acre of tobacco. By contrast,

[1] This number is based on latest available data from the U.S. Bureau of the Census and its definition which counts as a separate establishment each of several different locations at which a company may produce cigarettes. This establishment count differs from the number of cigarette manufacturing companies. Not counted in the above total is a factory opened in Georgia in 1977 by a major cigarette manufacturer.

food grains (wheat and rice) require about 3½ hours per acre.

In 1977, about 1.9 billion pounds of tobacco was grown on about 276 thousand farms in 18 States. The acreage devoted to tobacco growing is typically small, averaging about three acres per farm. Cash receipts from tobacco exceeded $2.3 billion, or 2.4 percent of the Country's total cash receipts from crops and livestock marketings.

Farms growing tobacco are relatively small in size, but they hire or exchange sizable amounts of labor for peak seasonal requirements. For 1974, the 95,488 specialized farms defined as "tobacco farms" by the Census of Agriculture averaged 129 acres with 38 acres of harvested cropland. About 60 percent of the operators were owners, 25 percent part owners, and 15 percent tenants. About 92 percent of tobacco farm operators were white and 8 percent were black or other races.

About 5 percent of all labor used on farms, or about 247 million hours, went into tobacco production in 1977. Much tobacco labor comes from the operators and their families but most producers hire some labor due to the extremely high seasonal requirements. Two-thirds of flue-cured harvest labor was hired, according to a 1972 USDA survey (USDA Econ. Res. Serv. Ag. Econ. Rpt. No. 277).

A closer look at the hired harvest work force in the flue-cured area showed more than 50 percent of the workers were less than 18 years old. Over two-thirds of the workers were black and about 55 percent were females. Black females represented 40 percent of the workers. Those working on their own farm differed. They were older with less than 25 percent under 18 years of age. About 60 percent were white and 55 percent were males. (North Carolina State University Econ. Res. Rpt. 38.)

Thus tobacco production provides employment for many women and children, handicapped, older persons, and unskilled persons with few alternative employment opportunities.

About one-half of the Census tobacco farms reported hiring labor in 1974, mostly for less than 25 days. These 50 thousand farms reported hiring an average of 10 workers per farm, or 528,000 workers. Conservatively assuming that the remaining farms growing tobacco use family labor or "swap" arrangements, when we add the allotment holders and farm operators, an estimated 1 million persons obtain income from tobacco production.

Income generated in tobacco farming in 1977 was $1.3 billion: wage payments and unpaid family labor approximated $600 million, and proprietors' income (operators and allotment holders) was about $700 million.

In addition to labor, tobacco production requires sizable inputs from service and marketing industries. Producers spend over four-tenths of their cash receipts from tobacco for such crop expenses as fertilizer, chemicals, gasoline, petroleum, curing facilities, machinery, custom work, and warehouse charges. These crop expenses amount to almost $1 billion annually.

Tobacco markting

U.S. growers sell about 95 percent of their tobacco through auction markets; the remainder is sold and delivered directly to manufacturers or dealers. In 1976 there were 175 tobacco markets with 841 sales floors (auction warehouses). Markets are situated in towns or cities in tobacco growing areas were one or more warehouses sell tobacco at auction. The largest market has 24 sales floors; some of the smaller markets have only one.

Each spring the growers of flue-cured tobacco designate the auction warehouses where they wish to market their crop. Sales schedules and inspection services are provided at individual warehouses on the basis of the quantity of tobacco designated. This procedure began in 1974 as a requirement for price support and has resulted in most producers receiving equitable marketing opportunities and in much more orderly marketing than had prevailed previously.

Usually on the basis of an agreed upon schedule, growers deliver their tobacco to the auction warehouse of their choice. A Federal grader examines each lot and grades it according to U.S. standards. Then it is sold to the highest bidder. The bidders are buyers for manufacturers, dealers, and exporters. Lots of tobacco that are not bid above the Government loan rate are taken by the loan cooperatives for processing, storage, and later sale. Some tobacco is being sold year round, but most sales take place in July through January.

Growers receive payment for their tobacco immediately after sale. Selling charges vary by type of tobacco, ranging from 3 to 6 percent of the selling price. The estimated charges for the 1976 crops were $75 million. Warehouses had an estimated payroll of $20 million for numerous handlers, weighers, bookkeepers, and clerks to move the tobacco quickly through the sales. Other variable and fixed costs totalled $25 million (based on a USDA cost survey), leaving returns to owners and managers of $30 million.

Leaf processing

Tobacco needs to age one to three years before manufacturers can properly use it. Aging improves the aroma and eliminates the bitter taste of freshly cured leaf. In preparing tobacco for storage, practically all tobacco is redried. This process involves removing foreign matter, complete drying out of the leaf, and applying a uniform moisture content. Sometimes tobacco is green prized, or packed in temporary storage until it can be shipped to a redrying plant. Most tobacco is stemmed before it is redried. This means stems and center veins of the leaves are removed, leaving only the lamina. This procedure reduces costs, and provides for a more uniform drying operation.

Practically all tobacco is packed in cylindrical wooden containers (hogsheads) or in cardboard cases for storage, and for export. The packed containers of redried tobacco go to storage warehouses nearby the manufacturing sites. With only minimum protection from the outside elements and periodic fumigation required, the stored tobacco goes through a series of sweats or fermentation process so it will be suitable for manufacture, one to three years later.

At the leaf processing stage there were 91 establishments in 1972. Approximately 12,000 persons were employed. The gross margins of these plants (Census, value added) was $228 million in 1976. Wage and salary payments totalled about $67 million. Other variable and fixed costs totalled $71 million (based on USDA cost estimates), leaving corporate and proprietors' income of $90 million.

Exports-imports

In relation to domestic production, imports and exports of tobacco have been important for many years. The United States is the leading tobacco exporting country and the third largest tobacco importer. The excess of exports over imports last year was about 24 percent of 1977 production. However, most of the imports are used for blending with domestic tobacco and consist of oriental tobacco not produced in the United States.

About 50 companies engage in export of tobacco. They vary widely in volume handled from worldwide, multinational tobacco trading firms to small dealers handling a specialized tobacco type. Most firms are integrated in related lines, including leaf buying, processing, and storage. A few export firms are affiliated with foreign manufacturers. Each domestic company making cigarettes exports to overseas affiliates as well, either finished products or blended or cut tobacco in bulk. Virtually every nation receives some U.S. tobacco, but around 60 percent goes to Japan and the European Community.

Exports of unmanufactured tobacco have remained relatively constant in quantity except for fluctuations due to shipping interruptions. Cigarette exports have been on an uptrend for several years. Limited Government assistance is available for leaf exports under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), and the Commodity Credit Corporation Charter Act. From mid-1966 through the 1972 crop, a limited CCC export payment went to exporters of unmanufactured tobacco.

The U.S. duty for most tobacco leaf imports is 11 cents per pound which is relatively low among countries and in relation to leaf value. Although imports of tobacco affect the domestic supply/demand balance, and in turn the volume of tobacco under the Government loan program, import controls as authorized by Section 22, Agricultural Adjustment Act of 1936, as amended, have never been in effect.

Among the principal tobacco export categories, the value last year was: flue-cured: $834 million; cigarettes: $615 million; burley: $152 million; other leaf tobacco: $108 million; and other tobacco products: $22 million. While there is no precise way to separate the value of the exporting service from the total value of exports, a conservative estimate would attribute 3 percent or $50 million of the past year's export value movement to ports and aboard ships, sales and traffic departments, plus fumigation and related charges.

Tobacco product manufacturing

In 1972 there were 181 establishments engaged in the manufacture of tobacco products. Of this total, twelve were highly mechanized cigarette plants operated by the six major manufacturers. The other 169 produced cigars, chewing and pipe tobacco, snuff, and other tobacco products.

Cigarette manufacturers had gross receipts (excluding Excises) of $3.7 billion (1976). They employed some 41,000 persons, with wages, salaries, and wage supplements reaching a total of more than $521 million. Gross margins from cigarette manufacturing operations totalled about $1.27 billion.

Other tobacco product manufacturers, with gross receipts of $565 million, employed 11,500 persons and paid wages, salaries, and fringe benefits of $85 million. Their gross margins came to $308 million in 1976.

In total, tobacco product manufacturers had gross receipts of $4.2 billion, excluding Federal excises. The excises bring this total to $6.6 billion. Firms employed almost 52,000, to whom they paid over $606 million in wages and benefits. Gross margins, including excise taxes, totalled approximately $3.9 billion.

Distribution

About 3,000 tobacco wholesalers handle tobacco products as a part of their general wholesaling business. These include 1,860 primary tobacco wholesalers who handled tobacco products worth $10.6 billion in 1976.

At the retail level in 1976, some 610 thou-

sand outlets sold tobacco products, consisting of around 210 thousand regular retail outlets (with payrolls) and around 400 thousand cigarette vending machine locations (with a total of 800 thousand vending machines). Their domestic sales totalled nearly $16.4 billion, of which well over $15.1 billion was accounted for by cigarettes. State-local excise and sales taxes amounted to nearly $3.5 billion of this total, most of which was levied on cigarettes.

It is difficult to measure, exactly, employment and earnings in the distributive trades that can be attributed to the handling of tobacco products. Tobacco is sold along with many lines at wholesale and retail. Estimates can be made for the national picture.

Total employment in wholesale and retail establishments attributable to tobacco product sales is estimated at 200 thousand. Wage and salary income attributable to the distribution of tobacco products is estimated at $2 billion.

Summary

The $17 billion of consumer expenditures for tobacco products provided income of approximately $11 billion in 1977. About 1 million persons were employed full-time and part-time in farm production, and factory and distribution employment was about 300 thousand persons.

III. FARM PRODUCTION PURCHASES

In addition to labor, tobacco production requires sizable inputs from service and marketing industries. Producers spend between 40 and 50 percent of their cash receipts for numerous cash items (exclusive of labor). The following estimate is based on budget estimates for flue-cured and burley production (*Tobacco Situation*, Sept. 1977 and March 1978).

Selected input items, U.S. tobacco production, 1977

[In millions of dollars]

Item or industry:	*Amount*
Seed	$2
Agric. services (custom)	20
Wood products	5
Fertilizer	112
Building maintenance, rep	6
Ag. chemicals	72
Textile products	17
Plastic materials	5
Cordage, twine	5
Petroleum products	163
Farm buildings	190
Farm machinery	192
Machinery repairs	18
Insurance	58
Interest	14
Electricity	13
Marketing fees	78
Total	970

III. THE MAIN SECTORS, BY STATES

Farm production. In 1977, about 276,000 farms produced tobacco having a cash value of $2.3 billion. Although twenty-three states have farms growing tobacco most of them are in the South. Six states accounted for 90 percent or more of the tobacco allotments, farms producing tobacco, cash receipts, and employment. Detailed information for all states is given in Tables 1 and 2 which show farm production, hours of labor, labor and other direct costs (excluding rent), crop value, and allotment value.

The tabulation below shows the six leading states, ranked by the amount of cash receipts from tobacco. For the country as a whole, tobacco cash receipts were 2.5 percent of total cash farm receipts; for the six states the percentage is 22. The heavy concentration of this crop is evident from the figures—North Carolina and Kentucky account for 64 percent of the cash receipts from this crop.

[In millions of dollars]

State:	Tobacco cash receipts	Percent of total farm cash receipts
North Carolina	$866	32.8
Kentucky	619	33.8
South Carolina	171	21.5
Virginia	163	15.8
Georgia	150	6.9
Tennessee	164	11.8

In the 3 leading States, North Carolina, Kentucky and South Carolina, tobacco is the leading source of cash receipts from farm marketings and ranks high in Virginia, Georgia, and Tennessee. However, the relative importance of tobacco in total cash farm receipts has declined. For the 6-State area, cash farm receipts jumped 180 percent from 1955–59 (average) to 1977; tobacco receipts gained 118 percent. As a result, tobacco declined in importance from 28 percent of cash receipts in 1955–59 to 21 percent in 1976 (22 percent in 1977, when crops were seriously hurt by drought).

5 LEADING COMMODITIES RANKED ACCORDING TO CASH RECEIPTS, 6 LEADING TOBACCO STATES, 1976

State	1	2	3	4	5
1. North Carolina	Tobacco	Broilers	Hogs	Corn	Dairy production.
2. Kentucky	Tobacco	Cattle calves	Dairy production	Corn	Soybeans.
3. South Carolina	Tobacco	Soybeans	Corn	Eggs	Hogs.
4. Virginia	Dairy production	Tobacco	Cattle calves	Broilers	Hogs.
5. Georgia[1]	Broilers	Peanuts	Eggs	Corn	Soybeans.
6. Tennessee	Cattle calves	Soybeans	Dairy production	Tobacco	Hogs.

[1] 6—Hogs; 7—Cattle calves; 8—Tobacco.

Compiled from: State Farm Income Statistics, Supp. to Stat. Bul. 576, Economic Research Service, U.S. Department of Agriculture, 1977.

TOBACCO'S SHARE OF CASH FARM RECEIPTS FROM MARKETINGS, 6 LEADING STATES, 1955–59, 1967, AND 1977

[In percent]

State	1955–59	1967	1977 [1]
North Carolina	47.0	41.3	32.8
Kentucky	40.0	41.6	33.8
South Carolina	25.5	25.2	21.5
Virginia	17.5	16.2	15.8
Georgia	8.9	9.8	6.9
Tennessee	14.9	13.8	11.8
6 State area	27.8	26.8	21.7

[1] Preliminary.

From 1955–59 to 1977, North Carolina, the largest tobacco-producing State, had a 173 percent increase in cash farm receipts, but a 91 percent increase in receipts from tobacco. Tobacco declined from 47 percent of total receipts in 1955–59 to 33 percent in 1977. Other States in the southeastern producing area had gains in total cash farm receipts ranging from 126 percent in Virginia to 218 percent in Georgia. Cash receipts from tobacco relative to all commodities decreased for all States in the six-State area.

Farm numbers further illustrate the importance of tobacco:

State	Tobacco allotments (farms)	Number of farms producing tobacco	Percent of total farms
Kentucky	166,233	103,000	83.1
North Carolina	134,018	52,000	42.6
Tennessee	104,709	62,000	50.4
Virginia	43,673	21,000	29.2
Georgia	25,330	5,000	7.1
South Carolina	23,907	6,000	12.8

In addition to the dominant tobacco-growing states, the following six states have from 100 to 7,500 farms producing tobacco, accounting for virtually all of the remaining 10 percent of farm income from this crop.

State	Tobacco allotments (farms) (number)	Farms producing tobacco (number)	Tobacco cash receipts (millions)
Florida	7,106	1,400	$32.9
Maryland	0	3,000	30.9
Ohio	11,771	7,600	28.0
Indiana	9,874	5,000	22.7
Connecticut	120	100	22.8
Wisconsin	4,573	3,100	20.1

Farms growing tobacco are relatively small, but a number of crops besides tobacco are grown. Tobacco accounts for 3.3 percent of the area planted for the 6 leading tobacco producing States. North Carolina, the ranking State has 8 percent of crop acreage in tobacco. The acreage planted in tobacco averages approximately 3½ acres per farm, nationally. However, the range is considerable. In Tennessee, the average is slightly over one acre per farm. At the other extreme, Connecticut farms average 37 acres.

County patterns

Tobacco allotment and Census of Agriculture data show the number of counties with farm allotments or farms growing tobacco. Of 3,068 counties and parishes in the United States, 21 percent, or 651 counties report tobacco allotments or production.

Farm earnings are a major source of earnings in many counties where tobacco is grown. In addition, a major share of the farm earnings are derived from such primary crops as tobacco. For example, in Maryland, tobacco ranks seventh as a source of cash farm income (3.3 percent of the total), but virtually all the tobacco is grown in 5 counties of southern Maryland where it represents about 44 percent of cash receipts from farm marketings.

Farmers are changing from a reliance on single crop agriculture as the major source of income. However, major changes in agriculture policy pertaining to tobacco would have a substantial effect on the economies of many local communities. (D. H. Carley, *Farm Earnings: Total Earning Relationships in Southwest Georgia*, Research Bulletin 173, Dept. of Agricultural Economics, Georgia Station, 1975).

Tobacco Leaf Handling and Processing. The processing sector of the tobacco industry (defined by census as stemming and redrying) generally follows the geographical pattern set by tobacco growing. The principal states, ranked by total income are shown below:

STEMMING AND REDRYING PLANTS, 1972

State	Establishments (number)	Value added [1] (millions)	Employees [1] (thousands)
North Carolina	29	[2] $57.0	[2] 5.4
Kentucky	11	[2] 30.0	[2] 1.5
Virginia	13	36.0	2.5
Tennessee	6	[2] 12.0	[2] .5
South Carolina	2	[2] 1–3	[2] .1
Florida	3	[2] 4–8	[2] .3
Northeast Region [3]	19	7.9	---
Total	91	153.6	11.4

[1] 1976 equals 277,500,000 and 12,500, respectively. Detail by States not available but the 1972 distribution continued.
[2] Estimated.
[3] Includes 2 plants in Louisiana.

These four leading states account for well over 80 percent of the business volume of plants in tobacco processing (stemming and redrying). Virtually all of this processing is done at specialized plants, with only about 3 percent of the U.S. total done at other kinds of factories primarily cigarette plants.

The Manufacturing Industry. The 180 manufacturing establishments in the tobacco products industry are located in twenty-nine states. With nationwide sales organizations, however, the industry provides employment in all fifty states. In contrast to tobacco growing, which is highly labor intensive, cigarette manufacturing is less so. Other tobacco product manufacturing is less so.

The high degree of concentration of cigarette manufacturing means virtually all of the output is found in three States as follows:

CIGARETTE PLANTS, 1972

State	Establishments (number)	Value added [1] (millions)	Employees [1] (thousands)
North Carolina	5	$1,198.5	17.6
Virginia	3	[2] 524.9	[2] 11.0
Kentucky	3	464.4	9.5
Total	11	2,187.8	38.1

[1] 1976 equals $3,591,900,000 and 40,800, respectively. Detail by States not available.
[2] Estimated.

Other tobacco products account for less than 10 percent of the retail value of tobacco products but are manufactured in more numerous smaller scale factories than cigarettes. The number of factories manufacturing cigars and chewing and smoking tobacco has been declining for many years, but remain more scattered geographically than in the case of cigarettes.

CIGAR FACTORIES, 1972

State	Establishments (number)	Value added [1] (millions)	Employees [1] (thousands)
1. Pennsylvania	29	$104.7	6.0
2. Florida	54	49.6	4.1
3. Alabama	3	[2] 10–19	[2] 1.0
4. Georgia	2	[2] 5–9	[2] .7
5. Kentucky	1	[2] 5–9	[2] .6
6. South Carolina	1	[2] 6–4	[2] .4
7. Ohio	2	[2] 2–4	[2] .3
8. Indiana	3	[2] 1–1.9	[2] .1
9. Other States [3]	37	[2] 4.2	[2] .3
Total	132	192.5	13.5

[1] 1976 equals $147,500,000 and 8,400, respectively.
[2] Estimated.
[3] Detail by States not available.

CHEWING AND SMOKING FACTORIES, 1972 [1]

State	Establishments (number)	Value added [1] (millions)	Employees [2] (thousands)
Tennessee	5	$20	0.6
Virginia	3	10–19	.6
Illinois	1	5–9	.2
New Jersey	1	5–9	.2
North Carolina	3	5–9	.4
Ohio	4	10–19	.5
Missouri	2	5–9	.2
West Virginia	1	2–4	.2
Kentucky	5	2–4	.2
Other States [3]	12	5.9	.2
Total	37	103.2	3.3

[1] 1976 equals $161,000,000 and 3,100, respectively.
[2] Estimated.
[3] Detail by States not available.

Tobacco Product Distribution. The tobacco industry has perhaps the most widely dispersed distribution system to be found for any product in the country. There are about 3 thousand wholesale establishments handling the distribution of tobacco products to retail channels. In 1976, wholesale sales amounted to nearly $11 billion. Table 3 presents wholesale and retail sales data by State as well as excise tax collections for the combined tobacco products industries. Overall, the distribution of this product through wholesale and retail channels involves an estimated 200 thousand persons.

TABLE 1.—TOBACCO: ALLOTMENTS, FARMS, PRODUCTION PRICE, VALUE, BY STATES, 1977

State	Farm allotments	Farms producing tobacco: Number [1]	Farms producing tobacco: As percent of all farms	Area harvested (thousand acres)	Yield per acre (pounds)	Production (million pounds)	Price per pound (cents)	Value of production (millions)
Alabama	291	100	0.1	0.6	1,900	1.1	111.0	$1.2
Connecticut	120	100	2.4	3.7	1,619	6.1	377.1	22.8
Florida	7,106	1,400	4.4	12.6	1,997	25.2	122.5	30.9
Georgia	25,330	5,000	7.1	65.0	2,075	134.9	115.0	155.1
Indiana	9,874	5,000	4.9	7.6	2,500	19.0	119.5	22.7
Kentucky	166,233	103,000	83.1	199.8	2,355	470.5	121.6	571.8
Louisiana	0	25	.1	.2	900	.1	154.8	.2
Maryland	0	3,000	17.1	23.0	1,300	29.9	110.0	32.9
Massachusetts	85	50	.9	1.2	1,654	1.9	458.6	8.8
Missouri	1,492	1,000	.7	2.5	2,300	5.8	116.0	6.7
North Carolina	134,018	52,000	42.6	392.5	1,890	741.7	116.8	866.2
Ohio	11,771	7,600	6.6	11.2	2,224	24.9	112.5	28.0
Pennsylvania	21	2,500	3.5	13.0	1,810	23.5	60.0	14.1
South Carolina	23,907	6,000	12.8	68.0	2,035	138.4	123.5	170.9
Tennessee	104,704	62,000	50.4	71.4	2,012	143.6	121.1	173.9
Virginia	43,673	21,000	29.2	79.8	1,767	141.0	116.3	164.0
West Virginia	4,253	3,000	11.5	1.7	1,800	3.1	112.5	3.4
Wisconsin	4,573	3,100	3.1	11.9	1,978	23.5	85.5	20.1
Other States	[2] 143	75	---	---	---	---	---	---
United States	537,435	275,950	10.0	965.6	2,003	1,934.2	118.6	2,293.8

[1] Estimated.
[2] Arkansas, Illinois, Kansas, Minnesota, and New York—Negligible.

Compiled from data from Agricultural Stabilization and Conservation Service, and Economics, Statistics, and Cooperatives Service.

TABLE 2.—TOBACCO: ESTIMATED COSTS AND RETURNS, ALLOTMENT VALUE, BY STATES, 1977

[Dollar amounts in millions]

State	Farm labor used for tobacco: Hours (millions)	Farm labor used for tobacco: Value	Other costs excluding rent [1]	Real estate taxes	Residual, allotment, and management	Total crop value	Allotment value
Alabama	0.1	0.3	0.6	(2)	0.3	1.2	1.8
Connecticut	3.6	10.6	4.5	0.1	7.6	22.8	.5
Florida	3.0	6.9	13.3	.3	10.4	30.9	52.0
Georgia	16.3	37.6	72.3	1.5	43.7	155.1	280.0
Indiana	2.1	6.2	7.5	.2	8.8	22.7	38.0

State	Farm labor used for tobacco: Hours (millions)	Farm labor used for tobacco: Value	Other costs excluding rent [1]	Real estate taxes	Residual, allotment, and management	Total crop value	Allotment value
Kentucky	58.8	168.2	202.2	3.5	197.9	571.8	900.0
Louisiana	[2]	.1	.1	[2]	[2]	.2	
Maryland	5.4	12.8	15.6	.2	4.3	32.9	
Massachusetts	1.3	3.7	1.6	[2]	3.5	8.8	[2]
Missouri	.7	2.1	2.6	.1	1.9	6.7	10.0
North Carolina	89.6	207.0	398.0	7.0	254.2	866.2	1,700.0
Ohio	3.3	9.8	11.8	.3	6.1	28.0	38.0
Pennsylvania	3.1	9.2	11.2	.1	−6.4	14.1	
South Carolina	18.0	41.6	80.0	1.0	48.3	170.9	300.0
Tennessee	17.0	50.3	60.5	1.0	62.1	173.9	220.0
Virginia	20.4	46.3	79.0	1.1	37.6	164.0	240.0
West Virginia	.5	1.6	1.9	[2]	−.1	3.4	5.2
Wisconsin	2.8	6.7	8.1	.1	5.2	20.1	5.3
United States	246.9	621.0	970.8	16.5	685.4	2,293.7	3,790.8

[1] Includes machinery and building ownership cost.
[2] Less than $500,000.

Source: Compiled by Robert H. Miller, Economics, Statistics, and Cooperatives Service, U.S. Department of Agriculture.

TABLE 3.—TOBACCO PRODUCTS: VALUE OF PRODUCTS DISTRIBUTED AND STATE TAX COLLECTIONS, BY STATE, 1976

[Dollar amounts in millions]

State	Tobacco tax collections: Amount	Tobacco tax collections: Share of all taxes (percent)	Value of tobacco products: Wholesale	Value of tobacco products: Retail [1]
Alabama	$48.6	3.9	$177	$273
Alaska	4.7	.8	17	26
Arizona	35.6	3.5	72	111
Arkansas	45.1	6.2	91	141
California	268.5	2.5	774	1,192
Colorado	32.7	3.4	108	166
Connecticut	73.4	5.8	183	282
Delaware	12.4	3.5	32	49
Florida	185.6	6.3	273	421
Georgia	73.2	4.4	212	327
Hawaii	9.8	1.5	41	63
Idaho	9.5	2.9	36	55
Illinois	175.4	3.7	687	1,057
Indiana	51.0	2.7	297	458
Iowa	46.2	8.8	172	265
Kansas	31.5	3.7	136	210
Kentucky	21.8	1.6	180	277
Louisiana	56.3	3.4	172	265
Maine	24.1	4.5	56	86
Maryland	54.5	2.8	225	347
Massachusetts	141.9	5.2	343	528
Michigan	138.6	3.7	503	774
Minnesota	83.3	3.8	200	308
Mississippi	30.9	3.5	106	163
Missouri	58.8	4.1	264	407
District of Columbia	11.9	1.8	57	88
Montana	11.4	4.1	40	62
Nebraska	22.5	4.6	90	139
Nevada	11.2	3.8	24	37
New Hampshire	26.7	14.5	38	59
New Jersey	166.2	7.2	424	653
New Mexico	13.7	2.4	49	75
New York	333.4	3.4	926	1,426
North Carolina	20.9	1.0	232	357
North Dakota	8.6	3.0	35	54
Ohio	194.8	5.9	598	921
Oklahoma	51.2	5.1	145	223
Oregon	30.7	3.7	111	171
Pennsylvania	245.0	4.8	707	1,089
Rhode Island	24.5	6.3	60	92
South Carolina	23.4	2.2	107	165
South Dakota	9.1	4.7	35	54
Tennessee	66.1	5.2	188	290
Texas	281.7	6.7	533	821
Utah	7.5	1.6	48	74
Vermont	9.9	4.8	25	39
Virginia	17.7	1.0	256	394
Washington	59.0	3.2	188	290
West Virginia	27.0	3.2	110	169
Wisconsin	84.2	3.5	238	367
Wyoming	4.6	2.4	19	29
Total	3,475.6	3.9	10,639	16,390

[1] Wholesale value increased uniformly by States to equal U.S. retail total.
Compiled from "Tax Administrators News," Federation of Tax Administrators, April 1977, p. 41; U.S. Bureau of the Census, "Governmental Finances in 1975–76," GF–76, No. 5, 1977, p. 49; "NATO Coordinator," National Association of Tobacco Distributors, 1977, pp. 2130–8.

Tobacco Export Shares by States, 1973–76 [1]

(By Richard Hall, Agricultural Economist
Commodity Economics Division)

Abstract: Tobacco exports were 16 percent of the value of all agricultural exports for 18 States growing tobacco for the year ending June 30, 1976. Tobacco was 4 percent of all United States agricultural exports. North Carolina's export share of tobacco was over half of the U.S. tobacco total. The allocation of export shares based upon production shows that tobacco dominated export shares of agricultural products for North Carolina, Connecticut, and Masachusetts. The export shares of tobacco was near or over one-third of agricultural exports for Kentucky, South Carolina, and Virginia. The maintenance of tobacco exports is a developing problem for the agricultural economy of each State with a large share in tobacco exports.

Keywords: Agricultural exports, export shares, exports by State, export values, tobacco exports.

From fiscal year 1973 to 1976 (year ending June 30), U.S. agricultural exports increased 72 percent in value (table 1). The increase in value of tobacco (unmanufactured and bulk smoking tobacco) exports was 43 percent from 1973 to 1976. The increase was primarily the result of higher unit export values. Since exports represent about 30 percent of the annual disappearance of the U.S. tobacco crop, the export value allocated to States is of economic importance. States with a large share in the value of exports have a special interest in maintaining or increasing the value of U.S. exports.

Eighteen States (all but Missouri located east of the Mississippi River) produce significant quantities of tobacco. Five dominate in the production of flue-cured tobacco, the major cigarette tobacco. Flue-cured production provides about two-thirds of the total U.S. tobacco crop. Production is concentrated in North Carolina, South Carolina, Georgia, Virginia, and Florida.

Burley tobacco, the second major type of cigarette tobacco, represents about 30 percent of the U.S. tobacco crop. Two States, Kentucky and Tennessee, dominate burley production. Additional burley is grown in Indiana, Missouri, North Carolina, Ohio, Virginia, and West Virginia.

Other types of tobacco, although neither large in quantity or value nationally, are important in the agricultural economies of Connecticut, Maryland, and Massachusetts.

Although production is compiled by States, exports are not reported by States. Exports are reported by port or region of exit and a few ports handle most of the tobacco exports. But production industries are relatively unfamiliar with how the value of other agricultural or tobacco exports relate to the economies of producing States. Export shares were calculated for fiscal years 1973–76 based upon the relative share of agricultural production in each State the year previous to the export year.

Agricultural Export Shares to States

The total value of U.S. agricultural exports in fiscal 1976 was $22 billion. Allocating this value to the five leading States—Illinois, Iowa, Texas, California, and Kansas—shows that other crops and livestock products are exported in great quantity and value relative to tobacco. Tobacco is important in only 18 States and was 4 percent of export value in 1976. However, total agricultural exports from the 18 tobacco producing States were one-fourth of the U.S. total. The total value of tobacco exports in fiscal 1976 was $917 million.

Because of the diversity of the agricultural economies of tobacco States, the range in percent of agricultural exports represented by tobacco was less than 1 percent over 80 percent. The average for tobacco States was 16 percent (table 2).

In North Carolina, flue-cured and burley

[1] Adapted from: Tontz, Robert L. and McCall. Thomasine B., "U.S. Agricultural Export Shares By States, Fiscal Year 1976," *Foreign Agricultural Trade of the United States*, October 1976, pp. 5–16.

tobacco provided 60 percent of the agricultural export share allocated in 1976. Cigar wrapper and binder tobacco provided 81 percent of the agricultural export share in Connecticut and 50 percent in Massachusetts. Tobacco made up about one-third of the export shares allocated to three States—flue-cured for South Carolina, burley and fire-cured for Kentucky and flue-cured, burley, and fire- and sun-cured for Virginia.

TOBACCO SHARES BY STATES

North Carolina's share of $474 million in tobacco exports was 52 percent of the tobacco total in 1976 (table 2). Among other States, only Kentucky and South Carolina accounted for more than 10 percent of the total.

From 1973 to 1976, individual State shares did not vary substantially relative to other States because total production did not shift among the States. The significant changes are the increase in value due to the sharp rise in unit value of exports and the increase in burley exports.

The quantity of flue-cured tobacco exported in 1973 and 1976 was about the same, slightly over 520 million pounds (farm sales weight). Thus, flue-cured exports were about two-thirds of the weight of tobacco exported in 1976. Burley exports increased about 20 million pounds in the period, representing the net gain in total tobacco exports. Burley exports were 30 percent of the total weight in 1976.

The increase in volume of burley exports allocated to Kentucky and Tennessee more than offset the decline in fire-cured exports. The result was that both the rise in unit value and quantity of burley exported and the rise in unit value of fire-cured tobacco increased the value of the Kentucky share of exports by $58 million from 1973 to 1976. The increase in the Kentucky share from 1973 to 1976 was larger than the total share of exports for all other States in 1976 except the four leading flue-cured producing and exporting States. The increase for North Carolina was $136 million. This increase was larger than the total share of any other State.

FUTURE SHARES OF TOBACCO EXPORTS

The rapid increase in tobacco export value from 1973 to 1976 still does not indicate an expanding export demand. A rapid rise in unit values, associated with inflation, substantially overshadowed the slight increase in the quantity of exports for the period. The unit value rise may limit the total value of exports in the future. Rising foreign population and income created a more rapid rise in the value of exports of other agricultural products. Quantity, as well as unit values, increased.

From 1973 to 1976, the production and world trade in tobaccos similar to the types produced in the United States have been increasing. States with large shares of tobacco exports are particularly vulnerable to increased foreign competition for export markets.

TABLE 39.—TOBACCO AND TOBACCO PRODUCTS EXPORTS BY CUSTOM DISTRICT PORTS, 1976

[In millions of dollars]

Custom district	Unmanufactured tobacco	Tobacco products		Total tobacco	Custom district	Unmanufactured tobacco	Tobacco products		Total tobacco
		Cigarettes	Other				Cigarettes	Other	
Norfolk, Va	473.6	296.9	14.2	784.7	New Orleans, La	13.7	0.3	0	14.0
Wilmington, N.C	856.3	.7	0	357.4	Philadelphia, Pa	.1	9.5	.2	9.8
New York, N.Y	38.3	40.9	6.3	85.5	San Juan, P.R	3.3	2.3	.3	5.4
Baltimore, Md	11.1	71.1	.8	33.0	Other	6.0	14.8	2.7	23.5
Miami, Fla	8.5	46.5	1.6	56.7					
San Francisco, Calif	.2	18.9	.1	19.2	Total	919.0	509.5	26.6	1,455.1
Charleston, S.C	6.9	7.5	.1	14.9					

Note: Totals may not add due to rounding.

Compiled from reports of Bureau of the Census.

TABLE 1.—AGRICULTURAL EXPORT SHARES, SELECTED STATES AND STATE GROUPS, FISCAL YEARS 1973 AND 1976

[Dollar amounts in millions]

Agricultural export States	Year ending June 30		Change, 1973–76 (percent)	Percentage of total (1976)	Agricultural export States	Year ending June 30		Change, 1973–76 (percent)	Percentage of total (1976)
	1973	1976[1]				1973	1976[1]		
Leading States (5):					Tobacco producing:				
Illinois	$1,310	$2,405	+84	10.8	States (18)[2]	3,774	5,603	+48	25.3
Iowa	1,095	1,752	+60	7.9	Tobacco	640	917	+43	4.1
Texas	798	1,541	+93	7.0	Other States (27)	4,368	8,067	+84	36.3
California	774	1,467	+90	6.6					
Kansas	775	1,312	+69	5.9	United States	12,894	22,147	+72	100.0
Subtotal	4,752	8,477	+78	38.3					

[1] Subject to revision.
[2] Alabama, Connecticut, Florida, Georgia, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Missouri, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin.

Source: Tontz, Robert L. and McCall, Thomasine B., "U.S. Agricultural Export Shares by States, Fiscal Year 1976", "Foreign Agricultural Trade of the United States," October 1976, pp. 5–16.

TABLE 2.—AGRICULTURAL AND TOBACCO EXPORT VALUE, PERCENTAGE DISTRIBUTION AND PERCENT OF TOTAL, BY STATE, FISCAL YEARS 1973 AND 1976[1]

Tobacco type and State	Export value (millions)				Tobacco as percentage of agricultural[3]		State as percentage of total tobacco[3]	
	Tobacco[2]		Agricultural					
	1973	1976	1973	1976	1973	1976	1973	1976
Flue-cured:								
North Carolina	$338	$474	$526	$786	64	60	53	52
South Carolina	66	95	174	267	38	36	10	10
Georgia	59	77	207	394	28	19	9	8
Virginia	49	66	120	193	41	34	8	7
Florida	16	19	184	295	9	6	3	2
Subtotal	528	731	1,210	1,935	44	38	83	79
Burley and Fire-cured:								
Kentucky	64	112	186	351	34	32	10	12
Tennessee	23	36	175	272	13	13	4	4
Subtotal	87	148	361	623	24	24	14	16
Other:								
Connecticut	6	14	8	17	75	81	1	2
Maryland	10	7	59	110	18	6	1	1
Massachusetts	2	5	6	11	42	50	(4)	1
Ohio	2	5	432	831	1	1	(4)	1
All other[5]	5	7	1,701	2,076	(4)	(4)	1	1
Total, 18 States	640	917	3,774	5,603	17	16	100	100

[1] Year ending June 30.
[2] Unmanufactured and bulk smoking tobacco.
[3] Computed from unrounded totals.
[4] Less than 0.5 percent.
[5] Pennsylvania, West Virginia, Alabama, Indiana, Wisconsin, Louisiana, and Missouri.

Source: Compiled from Tontz, Robert and McCall, Thomasine, "U.S. Agricultural Export Shares by States, Fiscal Year 1976," Foreign Agricultural Trade of the United States, October 1976, pp. 5–16.

A MOVE AGAINST PCP—S. 2778

Mr. BENTSEN. Mr. President, on March 22 I introduced S. 2778, the PCP Criminal Laws and Procedures Act of 1978, in an effort to help deter the illicit manufacture and distribution of a particularly dangerous street drug currently in vogue with many young people in this country.

I am pleased to report that S. 2778 has been cosponsored by 23 of my colleagues—Senators ALLEN, ANDERSON, BELLMON, BIDEN, BUMPERS, DECONCINI, DOLE, GARN, GRIFFIN, HAYAKAWA, HODGES, HUDDLESTON, HUMPHREY, JOHNSTON, LEAHY, LONG, PELL, PERCY, RANDOLPH, SARBANES, STONE, TALMADGE, and TOWER. I would also note, Mr. President, that this legislation has already been specifically endorsed by the State Narcotic Agencies of Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Michigan, Mississippi, New Mexico, Oklahoma, South Carolina, Tennessee, Texas, and Virginia. The bill also enjoys the endorsement of the International Association of Police Chiefs and the International Narcotics Enforcement Officers.

I think this broad measure of support, in the Senate and among the various State jurisdictions, suggests that the time has come to move against PCP, a cheap, readily available, easily manufactured drug that is abused with abandon across the country and has been responsible for at least 100 deaths in the past year alone. The number of young minds that have been warped beyond repair by PCP has never been determined.

Mr. President, on June 7 Senator CULVER's Subcommittee on Juvenile Delinquency and Senator HATHAWAY's Subcommittee on Alcoholism and Drug Abuse will hold joint hearings on S. 2778 and other proposals to come to grips with the menace of PCP. I would like to commend Senators HATHAWAY and CULVER for moving so promptly to consider this issue. I obviously stand ready to testify or assist at these hearings in any appropriate manner.

I want to stress, Mr. President, the urgency of the problem. During the first quarter of this year PCP-related emergency room visits rose by 70 percent over the comparable period in 1977. We read daily of grotesque acts committed by people under the influence of PCP.

A school teacher observes an angel dust intoxicated juvenile carving his initials into his arm during class; a PCP demented youth crashes through a plate glass window then thrashes wildly amid the fallen, dagger-like glass fragments; a bather under the influence of angel dust drowns while showering; a PCP crazed youngster assassinates his father; an unwanted 5-year-old is murdered by parents with an overdose of PCP.

Hundreds of similar acts are chronicled and recorded. We react in horror. But we have no way of knowing how many thousands of minds have been permanently twisted; we have no way of knowing how many of the 1½ million children between the ages of 12 and 17 who have experimented with PCP or angel dust have become mental cripples for life.

PCP is truly a dangerously different drug of abuse. Experts have now established that even short term angel dust usage can produce treatment resistent schizophrenic psychosis in certain individuals. Dr. Paul Luisada, deputy medical director, St. Elizabeths Hospital, Washington, D.C., reports a sudden tripling of schizophrenic patients admitted to his institution during 1973 was later traced to PCP abuse. Dr. Luisada writes:

> These patients had all smoked a drug called Angel Dust before becoming psychotic. Another epidemic began toward the end of 1974, and for some periods of 1975 and 1976, PCP psychosis became our leading cause of inpatient psychiatric admissions, surpassing both schizophrenia and alcoholism . . . PCP presently remains the major drug of abuse in the Washington Metropolitian area.

Mr. President, S. 2778 is designed to attack the weakest link in the PCP manufacture-distribution process: access to piperidine an essential element in PCP. Under current law, any casual criminal bent on the illegal manufacture of PCP can go to a chemical supply house with a few hundred dollars and purchase everything required to produce the drug in his garage or basement. There are no questions asked.

There is also no good reason why any weekend chemist should be in the market for piperidine. This chemical is produced in small quantities because it has only one major legitimate commercial use—the curing of rubber. It is apparent that any purchaser of piperidine who is not in the business of curing rubber, may very well be in the business of illicit PCP manufacture. S. 2778 would require anyone who purchases piperidine to present positive identification at the time of purchase, with the purchase to be registered with DEA.

Mr. President, PCP is dynamite. It can do to the brain what TNT can do to a building. We do not permit people to walk in from the street and purchase dynamite in this country. It makes no sense for us to permit individuals to purchase, without even the requirement for identification, all the ingredients of PCP.

S. 2778 also increases criminal penalties for the unauthorized manufacture, distribution, or possession with intent to manufacture or distribute PCP, from 5 years in prison and/or $15,000 fine to 10 years in prison and/or $100,000 fine.

I do not pretend, Mr. President, that S. 2778 will solve the problem of PCP abuse—a problem that now extends to all areas of the country. Nor does it address the menace of the future—the unhappy prospect of a whole generation of synthetic drugs composed of cheap, available ingredients and requiring little expertise to manufacture.

S. 2778 should, however, act as an important deterrent to the casual entrepreneur, the weekend criminal who goes into the PCP business to turn a fast dollar dealing in dementia. Since these profiteers currently supply most of the PCP consumed on the streets and playgrounds of America, Senate adoption of this bill should at least drive many of them from the marketplace, force up the price of PCP, and make it less generally available. It is a step in the right direction.

Mr. President, I would welcome further cosponsorship of S. 2778. The proposal is on the table, it has been widely endorsed, and it makes eminent good sense. I hope it will be favorably considered by the joint committee hearings on June 7 and enacted into law.

NATURAL GAS COMPROMISE

Mr. HANSEN. Mr. President, I would like to comment on the so-called natural gas compromise adopted by the conference committee yesterday. As the Members are aware, this compromise was worked out in a series of secret meetings between the administration and a few of the conferees, and was given to the rest of the conference as an accomplished fact.

In our meeting yesterday, there was no serious discussion of the proposal, and no opportunity for changes or improvements. Every effort was met with the essential response, "yes, you're right, this or that section is illogical, or wrong, but it's part of the agreement, and it can't be changed."

I and others strongly objected to these secret sessions, and one of our reasons was that the secret conferees might well have hidden understandings as to the meaning of the bill that would not be apparent or available to those not in on those secret sessions. Yesterday's meeting provided a perfect example of this problem. It is a bit complicated, but I hope I can have close attention, as it does involve a small matter of $1 billion or so.

Whenever the question of price increases is discussed, we are interested in how much the price will increase above inflation. If a price increase would be 4 percent in times of no inflation, then when there is inflation, the increase should be enough so that the inflated dollars will buy 4 percent more than what the original dollars would have bought.

This was the common understanding of all those observing the negotiating process from the outside. This was the impression conveyed by all of those in the secret sessions. For example, the explanation give the conferees on May 4 specifically spoke of "real dollar growth" in the price level. For example, all informal discussions of the proposals spoke of amounts of real growth, above inflation. Most importantly, all of the descriptions and analyses, produced by supporters as well as observers of the compromise, were based on this premise. So that to anyone not a part of the secret sessions, there was an assurance that the compromise contemplated real dollar growth at the rates specified. But it turns out this was not the case.

Here is the catch. Assume for ease of explanation that prices double in one year. If your starting price is a dollar, and you are promised a price increase of inflation plus 4 percent, would you expect your price after a year to be $2.08 or $2.04? Obviously, it should be $2.08, because that much money in inflated dollars is worth $1.04, which gives you your

4 percent real increase. If you only got $2.04, it would only be worth $1.02, and you would have been swindled out of half of your promised increase.

It was only as a result of a long series of probing questions in yesterday's session that it was revealed that the secret negotiators (or at least many of them) had agreed that this latter interpretation was to be used. And despite knowledge of this interpretation, the House staff released an analysis the very day of the final agreement, again using deceptive and erroneous charts showing that the proposal would provide the higher price increases.

This is not just a minor quibble. In times of 6 percent inflation (and we are running at well over that now), a promised 3.5 percent increase shrinks to less that 3.3 percent. The effect is compounded each year, so that over the period through 1985, this interpretation will reduce producer incentives by one billion dollars or more. And that reduced incentive will still further reduce the amount of domestic energy available to Americans.

So, Mr. President, let me conclude by emphasizing two points. First, the practice of secret negotiation of an entire conference package is fraught with the danger of this kind of unspoken and unknown interpretation. Second, we can again see that the figures and analyses presented by the supporters of this regulatory nightmare continue to be like the catalog price warning, "Subject to Change without Notice."

NELSON A. ROCKEFELLER

Mr. JAVITS. Mr. President, I have just attended a ceremony in which the former Vice President of the United States, Nelson A. Rockefeller, on the occasion of his 70th birthday, which comes approximately at this time, received an award in the shape of a distinguished service award from former Members of Congress at the hands of a former minority leader in this body, Hugh Scott of Pennsylvania.

He delivered an address which will, of course, appear in the RECORD at that time on the floor of the House of Representatives reiterating what he has stood for all of his life as a magnificent public servant, probably one of the best in our history, to wit, the essentiality to the peace and freedom of the world of the example as well as the strength in both the physical sense and the military sense, and in the sense of character of the people of the United States and of their genius in the arts of democracy as well as in the arts of production and distribution of goods, which has made this the most significant country on earth and this legislature the most significant deliberative body on Earth.

I join with my colleagues, former Members of Congress, Mr. President, in honoring my personal friend of so many years standing, and my colleague in government and in the Republican Party for a comparable number of years, on this great honor and on his birthday.

Also, Mr. President, the worth of Nelson Rockefeller to our country remains as valid as it ever was.

I would like by way of testimony to that to ask unanimous consent to have printed in the RECORD remarks made by former Vice President Nelson A. Rockefeller at the Harry Truman Good Neighbor Award Luncheon given at the Hotel Muehlebach in Kansas City, Mo., on May 8, 1978, sharing in the celebration of the birthday of Harry S. Truman.

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

EXCERPTS OF REMARKS BY NELSON A. ROCKEFELLER

You honor me by your invitation to share in this celebration of the birthday of Harry S Truman, a great American and surely one of the greatest Presidents of the United States of America.

Like many of you, I was privileged to know President Truman personally. But, unlike you, I had the special privilege of being fired by him. As a holdover appointment from the previous administration, I was "given my liberty" when I did not resign. The event did not shake the Nation. However, it gave me something in common with General of the Army Douglas MacArthur.

Harry Truman was as American as apple pie and sour mash bourbon. He needed no research nor public opinion polling to know what the great American public thought, what its values were, what it aspired to.

Harry Truman was an integral part of that public. And despite the high offices he held and the enormous impact of his leadership upon the whole world, he never left that great American public. Neither the blandishments of privilege nor the temptations of power blunted his common sense or open integrity.

He held fast to his belief in the dignity of the individual—and all individuals. He never developed. The Nation was in shock at the American people when they knew the facts. He never gave way to cynicism. He hated sham. He never disparaged our basic American institutions and values. The ardor of his patriotism was founded in knowledge, experience and faith.

Harry Truman became our President at one of the most critical times in our history. We were at war on two fronts across the major oceans. The grand alliance that was winning the war against Hitler, however, was already showing signs of coming apart. Stalin was seizing Eastern Europe. The British Empire was disintegrating. Charles de Gaulle was already asserting his impervious independence.

The Japanese war machine, stopped at Midway and defeated in the struggle for Okinawa and Iwo Jima, was still formidable in its home islands fortresses. Calculations estimated a million American casualties would be the price of invasion and ending that war.

At Los Alamos, the Atom Bomb had been developed. The Nation was in shock at Franklin Roosevelt's death. The "father figure"—that had seen the country through the trials of the depression and four years of world war—was gone.

So it was when the plain-speaking man from Missouri, who as Vice President had never really been briefed on the affairs of state and war by Franklin Roosevelt, took over the helm of the Nation.

Consider the magnitude of the problems he faced and the courage of the decisions he made:

The organization of the United Nations at San Francisco;

The peace with Germany;

The German occupation by U.S. as well as other forces;

The dropping of the Atom Bomb on Hiroshima and Nagasaki and the ending of the war with Japan;

The setting up of the occupation and government of Japan;

The economic and military aid program to Greece and Turkey to prevent a communist takeover of those countries;

The announcement of a policy of containment to prevent communist expansion;

The development of the Marshall Plan;

The creation of the NATO alliance;

The Point IV Program;

The United Nations international military force against the communist invasion of South Korea.

These are but a few of the decisions Harry Truman made in the international area. They had their difficult counterparts on the domestic side.

Today, as we celebrate his birthday, the aura of his accomplishments blurs the memories of the criticisms, the harassments, the deprecations that Harry Truman faced as President. It took real courage to surmount a hostile press; to fight a rampant McCarthyism; to overcome an active opposition within his own party; to push for civil rights legislation and, for that matter, to construct the balcony on the South Portico of the White House as designed by Thomas Jefferson.

Harry Truman was not one to hold up decisions that he was convinced were right for the Nation. He didn't wait until he was shown that the litmus paper of public opinion would show no acid reaction. Indeed, he was so forthright and decisive that in 1947 and 1948 it appeared to many that Harry would rather be right than be President for another term.

But that kind of gutsy leadership was what gave him his second term. When he took his campaign to the people, they elected him to the high office which only fate had previously given him.

The purpose of our gathering here is not alone to acknowledge our debt, and that of the whole free world, to Harry Truman, and to commemorate his memory. It is also, in the light of his life, his experience and his contributions, to assess our own efforts, our own judgments, our own courage to face the problems that confront us now.

Harry Truman would have been deeply troubled by the current Soviet worldwide expansion—a growing threat to freedom everywhere—in Africa through the use of their Cuban colonial troops—in Asia through continuing subversion—underwritten by massive shipments of Soviet arms in both areas.

This whole situation was brought home to me dramatically last week. On the day before I was to visit Afghanistan, a Communist coup overthrew that nation's government. According to accounts in the Indian press, 10,000 Afghans were massacred—the result being that that fiercely independent and strategic country has now been subjugated and turned into another Soviet satellite.

Harry Truman foresaw the overriding danger of Soviet expansion in 1947 when he enunciated his doctrine of Soviet containment, but we lost sight of our global interests in the aftermath of the national confusion over Vietnam.

The world we face is fraught with new problems and perils different from the time of the Truman Presidency but no less serious.

From a Nation whose currency was the firm foundation for international finance, we have become a country whose dollar has now been depreciated at least 33¼% against the strong currencies like the Japanese Yen and the Deutsche Mark—a dollar whose buying power has been cut virtually in half during the past 10 years.

From a Nation whose technological and military supremacy guaranteed world peace and progress, we have become a Nation which seems content now to rest on its oars while our adversary accelerates its buildup.

From a Nation whose exports sustained vast areas of the world and assisted their

rehabilitation after World War II, we now have adverse trade balances unparalleled in our peacetime history.

From a Nation that produced virtually all of its own energy in Truman's years, we now rely on imported oil for more than 50% of our petroleum needs. The era of cheap energy has gone, and the cost of imported oil and gas now burden not only our balance of payments but our domestic economy as well. Such dependence upon foreign oil supplies makes us extremely vulnerable economically, undermines the value of the dollar and puts us in a vastly less favorable national defense and diplomatic posture in a troubled world—and we've done nothing about it!

If he were here today, Harry Truman would be really troubled. He knew that a secure and plentiful supply of energy was basic to our national security and economic well-being. He had seen the dependence of this Nation on petroleum. He had seen domestic production in 1952 fall far short of our needs. He fought for national title to offshore oil fields against the claims of individual states. And 'way back in 1952 he said:

". . . it is of the utmost importance that the exploration of the submerged lands—both on the marginal sea belt and the rest of the Continental Shelf—for oil and gas fields should go ahead rapidly and any fields discovered should be developed in an orderly fashion which will provide adequate recognition for the needs of national defense."

Here we are, 26 years later, and only in the past few months or so have oil drilling rigs begun to do exploratory drilling off the Atlantic coast.

Despite the harrowing experience of the Arab boycott, despite the creation of OPEC and the increase in world oil prices, despite the obvious dangers to our economy and our security from over-dependence on imported energy and the extreme danger of ever higher prices for oil, we still have no national energy policy. Indeed, of all the major nations, the United States, which uses more energy and depends upon a plentitude of energy more than any other, has done the least to ensure the continued availability of energy within our borders. Ironically, we have the technical, scientific and resource capacity to meet our needs—if only we make up our minds to do it.

In the nuclear field, we are stalemated by controversy and indecision. From the Nation that pioneered atomic development and that under Truman undertook to share the peacetime uses of this new energy source with the rest of the world, we have become halting and hesitating. In fact, the situation has even reached the point where it is seriously proposed that we contain technology, arrest development and stop its application.

Yet, if postwar nuclear history has shown us anything, it is that nuclear knowledge cannot be contained. Research and development recognize no enduring monopoly by any one nation. Indeed, the history of the modern world has demonstrated that technology and progress march together; that technology and quality of life are married; and that technology and survival are inseparable.

I agree with Harry Truman, who put it this way:

"In this list of atomic developments, I have put the peaceful uses and the military uses side by side. It is a matter of practical necessity in the kind of world in which we live today that we give priority to security; but I have always had the profound hope that atomic energy would one day soon serve its rightful purpose—the benefit of mankind."

Of course, we applaud the idea of harnessing solar energy, but we know that practical considertaions of cost and technology will inevitably delay and limit its large-scale utilization. Clearly, nuclear technology for the generation of energy, along with coal and the use of alcohol in gasoline made from surplus grain, sugar and even garbage, is one of the keys to economic self-reliance of this Nation in the energy field, to freedom from the fear of embargo and the drain of excessive imports on our balance of payments. Despite all those dire predictions of impending doom, we have had nuclear-generated electric power on a commercial basis for 20 years and no accidents have occurred involving public injury. In this same period, 909,726 people have been killed by automobiles. Yet I know of no movement to "ban the automobile." Let's have some of that Truman common sense on this issue, too.

That common sense also must be applied to the role of nuclear technology in our national defense. Thus it is imperative that the United States proceed with nuclear developments and that it develop, produce and deploy the neutron bomb.

This weapon can give us and our NATO allies a significant new means to offset within the European theatre the overwhelming Soviet numerical strength in conventional military weapons that hangs like a sword of Damocles over Free Europe. Without the neutron bomb, our ultimate recourse to a Soviet massive attack in Europe would be an intercontinental nuclear strike which the Soviets could survive—and retaliate against the United States with devastating effect. Thus, by counter-balancing the growing threat of Soviet supremacy in conventional military forces, the neutron bomb can help free us and the other Free World nations from the threat of Soviet blackmail.

But, Harry Truman also knew that economic and military strength were not enough to defend the security and well-being of America; we must have the best intelligence system as well. Thus, in addition to Truman's recommendation to the Congress for the creation of the Defense Department and the National Security Council in 1947, on his recommendation the Congress also established the Central Intelligence Agency. I'm sure he would be aghast at the decimation and disarray of our intelligence services today. In Harry Truman's words:

"A President has to know what is going on all around the world in order to be ready to act when action is needed. . . . The second war taught us this—lesson that we had to collect intelligence in a manner that would make the information available where it was needed and when it was wanted in an intelligent and understandable form."

I equally believe Harry Truman would not have countenanced any domestic unauthorized CIA activity or excess. But in dealing with anyone who violated the law, he would not have thrown out the baby with the bath water—and he would have reaffirmed his total support of these who gave their lives and their loyalty to defending the security of our country.

President Truman understood the dangers we faced.

I remember Jim Forrestal, former Secretary of Defense, telling me of being with President Truman when he received the message from General MacArthur that the North Koreans were invading the South and that American lives were in jeopardy. Jim said that the President with his typical courage and decisiveness simply sent a message back to General MacArthur ordering him "to get the Americans out of Korea—and to get the North Koreans out too."

He understood the importance of economic strength. Thus he saw that, to support the Korean war effort, the United States would have to expand the base of its productive capacity.

Therefore, he set a goal of a 25% increase and got Congress to permit a certification of national necessity for new production facilities that provided the incentive of a fast write-off for all essential investment. He understood that the new investment was essential for economic growth, which in turn was essential for economic strength and jobs. He also knew that this was essential to equal opportunity for all.

His courage and decisive action worked, and American enterprise achieved his goal of increasing our productive capacity by 25% within a short space of time.

This experience demonstrates that, with a clear sense of purpose and proper incentives, the people of this country can conquer their problems and attain new levels of freedom and quality of living—not only for themselves—but all humanity.

Harry Truman worked for these goals. He strived to maintain this as a land of opportunity, to build on its strengths, as well as correct its weaknesses. He had an impatience with those who denigrate our values. He emphasized in his time the basics of our unique American economic system and the strengths of our political and social order.

We've just been through a period in which the deriders, the belittlers, the detractors and iconoclasts have had a field day. An unpopular war in Vietnam, the Watergate business, scandals in government and in the private sector of our national life, have all accentuated the negative.

It's time we heard not only what's wrong with America but what's right about it, too!

A democratic society cannot exist without criticism. But it cannot exist, either without a fundamental faith in democracy itself and the institutions of a free society.

Let's get on to a renewed sense of common effort to renew the Nation's strength and liberate its basic dynamism.

We have got to have trust and confidence in the ability of our institutions to adjust to change. And we've got to provide those institutions with a sense of national purpose and a stable framework of laws within which they can make the adjustments and build to meet the future needs of America.

This also means a social and governmental climate that will make it possible for our institutions to attract creative leadership and enable leadership to function.

In the haste to root out scandal, in the rush to purge the unpopular, in the hurry to cast out and castigate the abusers of power and trust, we have shackled necessary instruments of power, centers for decision and creative springboards for action.

Today, we've got more critics, more prosecutors, more accountants, more auditors, more investigators, more dopesters, more commentators and more kibitzers than ever in our history. It's high time we have more deciders, more doers, more producers.

I'm sure that, were he here today, Harry Truman would agree that as a Nation:

We need decision, not delay.

We need energy, not equivocation.

We need production, not promises.

We need strength, not weakness.

And we need to be able to stand the heat in the kitchen that Harry Truman talked about.

Indeed, in a dream I had about this speech, Harry Truman appeared briefly and said ten words: "Nelson, give them my best, but also give them hell."

Mr. JAVITS. Mr. President, in that trenchant and highly informed as well as perceptive speech, the former Vice President gave the clear indication of, again, our problems, of the contribution made to their solution by Harry Truman, and the tribute to the need for economic and security strength on the part of the United States to perform its mission chosen by our people in 1776, and since confirmed and perpetuated by

the blood, work, and genius in all the years since, in all the decades since, as the apostle of freedom and the apostle of the satisfaction, with equity and fairness and equal opportunity to all of man's wants, as the hallmarks of success of the society and its ability to preserve individual freedoms, to spread these blessings or help spread them throughout the world, and when it was demanded by tyrants or others with design upon the world's freedom or, indeed, the world's survival being the decisive element in repelling these forces of evil.

In all of those senses, Mr. President, former Governor, former Vice President, Nelson Rockefeller, who had the honor to preside over this body as Vice President, has served our Nation superbly, so superbly as to merit what would be to him, I think, the greatest encomium, "Well done, noble son of the United States of America."

I thank the Chair and I thank Senator HATCH for allowing me to speak.

ADJOURNMENT OF THE HOUSE AND RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 634, which is the recess resolution.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

H. CON. RES. 634

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, May 25, 1978, it stand adjourned until 12 o'clock meridian on Wednesday, May 31, 1978, and that when the Senate recesses on Friday, May 26, 1978, it stand in recess until 12 o'clock meridian on Monday, June 5, 1978.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The concurrent resolution was considered and agreed to.

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

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

The motion to lay on the table was agreed to.

SUSPENSION OF DUTY ON 2-METHYL, 4-CHLOROPHENOL

Mr. ALLEN. Mr. President, at the desk is H.R. 5551, which has had its first reading to the Senate. I ask unanimous consent that it now be given its second reading and that it be referred to the appropriate committee.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. Does the Senator from Wisconsin object?

Mr. NELSON. No.

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

The assistant legislative clerk read as follows:

A bill (H.R. 5551) to suspend until the close of June 30, 1980, the duty on 2-methyl, 4-chlorophenol.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

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

PRESIDENTIAL APPROVAL

A message from the President of the United States stated that on today, May 25, 1978, he approved and signed the following act:

S. 1568. An act to name the lake located behind Lower Monumental Lock and Dam, Washington, "Lake Herbert G. West."

MESSAGES FROM THE HOUSE

At 1:34 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the amendment of the House to the bill (S. 1792) to amend the Administrative Conference Act.

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 137. A joint resolution reaffirming the unity of the North Atlantic Alliance commitment.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3050. An act to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income with respect to magazines, paperbacks, and records returned after the close of the taxable year.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 3994. An Act for the relief of Charles P. Abbott.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ROBERT C. BYRD).

At 5:28 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 10929. An act to authorize appropriations for fiscal year 1979 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for civil defense, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 3050. An act to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income with respect to magazines, paperbacks, and records returned after the close of the taxable year; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary:

Annual Report of the Subcommittee on Penitentiaries and Corrections (Rept. No. 95-909).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. Res. 467. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 3151. Referred to the Committee on the Budget.

S. 1909. A bill for the relief of certain employees of the Charleston Naval Shipyard, Charleston, S.C. (Rept. No. 95-910).

S. 3151. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1979, and for other purposes (original bill reported and placed on the calendar) (Rept. No. 95-911).

H.R. 1436. An act for the relief of William H. Klusmeier, publisher of the Austin Citizen, of Austin, Tex. (Rept. No. 95-912).

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

H.R. 3790. An act to suspend until the close of June 30, 1980, the duty on concentrate of poppy straw used in producing codeine or morphine (Rept. No. 95-913).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 11005. An act to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1979 (Rept. No. 95-914).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

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

The following-named persons to be Representatives of the United States to the tenth special session of the General Assembly of the United Nations Devoted to Disarmment:

Andrew J. Young, of Georgia.

W. Averell Harriman, of New York.

George McGovern, U.S. Senator from South Dakota.

Charles W. Whalen, Jr., U.S. Representative from Ohio.

Paul Newman, of Connecticut.

The following-named persons to be Alternate Representatives of the United States to the 10th special session of the General Assembly of the United Nations Devoted to Disarmament:

Adrian S. Fisher, of the District of Columbia.

James F. Leonard, Jr., of New York.

Charles McC. Mathias, U.S. Senator from Maryland.

Paul Simon, U.S. Representative from Illinois.

Marjorie Craig Benton, of Illinois.

(The above nominations from the committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Adrian G. Duplantier, of Louisiana, to be U.S. district judge for the eastern district of Louisiana.

Walter M. Heen, of Hawaii, to be U.S. attorney for the district of Hawaii.

Isthmael A. Meyers, of the Virgin Islands, to be U.S. Attorney for the district of the Virgin Islands.

Gilbert G. Pompa, of Texas, to be Diretcor, Community Relations Service.

(The above nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. NELSON from the Select Committee on Small Business:

Milton David Stewart, of New York, to be chief counsel for advocacy, Small Business Administration. (Ex. Rept. No. 95-21).

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

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. CASE:

S. 3143. A bill to increase alternatives to institutionalization for senior citizens; to the Committee on Finance.

By Mr. McINTYRE (for himself, Mr. MARK O. HATFIELD, Mr. HUDDLESTON, Mr. ANDERSON, and Mr. CHILES):

S. 3144. A bill to provide for the reevaluation and restructuring of the methods and procedures utilized by the Federal Government for the management, collection, dissemination, and control of Government paperwork and information gathering; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN:

S. 3145. A bill to extend the time period for congressional study of certain fringe benefits; to the Committee on Finance.

By Mr. HART:

S. 3146. A bill to expand the jurisdiction of the Nuclear Regulatory Commission over nuclear waste storage and disposal facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DOLE:

S. 3147. A bill to prohibit the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 3148. A bill to amend title XX of the Social Security Act to provide for an expanded social services program, to promote consultation and cooperative efforts among States, localities, and other local public and private agencies to coordinate services, to extend certain provisions of Public Law 94-401, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. JAVITS):

S. 3149. A bill to amend the Internal Revenue Code with respect to loan guarantees for the assistance of the city of New York; to the Committee on Finance.

S. 3150. A bill to amend the Internal Revenue Code with respect to financial assistance for the city of New York; to the Committee on Finance.

By Mr. EASTLAND (from the Committee on the Judiciary):

S. 3151. An original bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1979, and for other purposes; placed on the calendar.

By Mr. CANNON (for himself, Mr. INOUYE, and Mr. PEARSON) (by request):

S. 3152. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 30, 1984; to the Committee on Commerce, Science, and Transportation.

By Mr. PELL (for himself and Mr. CHAFEE):

S. 3153. A bill to settle Indian land claims within the State of Rhode Island and Providence Plantations, and for other purposes; to the Select Committee on Indian Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CASE:

S. 3143. A bill to increase alternatives to institutionalization for senior citizens; to the Committee on Finance.

Mr. CASE. Mr. President, I introduce for appropriate reference S. 3143, a bill to increase the alternatives to institutionalization for senior citizens. This proposal is identical to one that has already been introduced in the House of Representatives by my distinguished colleague from New Jersey, MILLICENT FENWICK.

From the correspondence I have received, and from my experience as a member of the Labor, Health, Education, and Welfare Appropriations Subcommittee, it has become clear to me that there are many, many instances where a person's need to be institutionalized in a nursing home or other extended care facility is marginal. The needs of these people could be far better served in their own homes, or in a noninstitutional setting of some other type.

The legislation I am introducing today would provide for demonstration projects to be carried out under the Secretary of Health, Education, and Welfare. From these demonstration projects, we will be able to learn much more about the feasibility of alternatives to institutional care, as well as how many people could benefit from it.

The Secretary of Health, Education, and Welfare, through the demonstration projects, would provide tax-free stipends for senior citizens eligible for nursing home care under medicaid or medicare and who are able to locate suitable home care arrangements. He would then have 2 years to report to the Congress on the results of the demonstration projects and make recommendations for the long term.

Under our current medicaid and medicare programs, we encourage the institutionalization of persons, many of whom would be better off in other settings. The Department of Health, Education, and Welfare estimates that of the 1 million elderly now in nursing homes, 400,000 do not have a need for institutional care. Under the present medicare law, payments are not allowed for home health care unless the individual is "homebound" and eligible for skilled nursing care, physical or speech therapy as recommended by a physician.

Under the legislation I am proposing, the demonstration projects would provide payments to eligible individuals at the rate of 50 percent of the average nursing home cost. This could have the effect of reducing the costs of medicare and medicaid substantially.

Eligibility for the stipend would be governed by the same qualifications that now govern eligibility for nursing home care, so there would be no danger of abuse. A periodic check by an appropriate health official or social worker would insure that the elderly person was receiving proper care. This would be the only additional cost. And that cost would be far more than offset by the other reductions in costs, it seems to me.

We need to be more humane in our treatment of each other, and in particular of our senior citizens. If it is medically feasible, a person ought to be able to choose to remain within his family, or with friends.

There are many very fine nursing homes in our country, as well as other types of extended care facilities. We need them, but we may not need to use them as intensively as at present. The bill I am introducing today will give us an opportunity to find out if alternative arrangements can be worked out for the benefit of senior citizens. I ask unanimous consent, Mr. President, that the text of my bill be printed in the RECORD.

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

S. 3143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") may provide, through demonstration projects payments to individuals who are receiving, or are eligible to receive, benefits with respect to post-hospital extended care services under title XVIII of the Social Security Act or intermediate care facility services or skilled nursing facility services under title XIX of such Act, who do not require 24-hour nursing care or supervision, and who desire to establish a noninstitutional living arrangement which will meet their medical and other needs.

(b) The amount of any payment made to any individual under this Act shall be an amount determined by multiplying—

(1) the number of days in the period for which the payment is made, by

(2) 50 percent of the average daily benefit paid for the services described in subsection (a), in the State in which such individual resides, on behalf of an individual under titles XVIII and XIX of the Social Security Act.

(c) Any payment received by an individual under this Act shall be used for the purpose of financing an appropriate noninstitutional living arrangement which meets the medical and other needs of the individual. The Secretary shall provide that such living arrangement will be reviewed periodically by a registered nurse or other appropriate health official for the purpose of determining whether the individual is satisfied with the care as a result of such arrangement.

(d) Any payment made under this Act shall be made on such terms and conditions, in advance or by reimbursement, in such installments, and for such length of time as the Secretary determines will best meet the medical and other needs of the individual receiving the payments.

(e) Such payments shall not be includable in gross income under the Internal Revenue Code of 1954.

(f)(1) The Secretary shall design demonstration projects etablished under this Act for the purpose of determining—

(A) the economic, medical, psychological, and sociological feasibility of transferring impatients of skilled nursing and intermediate care facilities to noninstitutional living arrangements;

(B) the types and percentage of such inpatients who could live effectively in a noninstitutional living arrangement; and

(C) the types and percentages of such inpatients who would benefit economically and qualitatively from transferring to a noninstitutional living arrangement.

(2) The Secretary shall, within 2 years after the date of the enactment of this Act, transmit a report to each House of the Congress concerning the findings and conclusions which have been made with respect to the matters described in paragraph (1). In addition, such report shall contain recommendations, if any, by the Secretary for legislative action with respect to such matters.

(g) Funds made available under this Act shall be made in appropriate part, as determined by the Secretary, from the Federal Hospital Insurance Trust Fund (established by section 1817 of the Social Security Act) and from funds appropriated to carry out title XIX of the Social Security Act.

By Mr. McINTYRE (for himself, Mr. MARK O. HATFIELD, Mr. HUDDLESTON, Mr. ANDERSON, and Mr. CHILES):

S. 3144. A bill to provide for the reevaluation and restructuring of the methods and procedures utilized by the Federal Government for the management, collection, dissemination, and control of Government paperwork and information gathering; to the Committee on Governmental Affairs.

HIDDEN TAX REDUCTION ACT

● Mr. McINTYRE. Mr. President, today I am introducing the Hidden Tax Reduction Act for myself, and Senators HATFIELD of Oregon, HUDDLESTON, CHILES, and ANDERSON, to completely restructure the methods used by the Federal Government to control Government paperwork.

This bill is based on the work of the Commission on Federal Paperwork, which was established in 1975 as a result of the work of many Members of this body, and the House of Representatives, in response to the rising tide of Government paperwork, redtape, and excessive information demands made by Federal agencies.

I had the pleasure to serve as cochairman of the Commission during its 2-year tenure. Representative FRANK HORTON of New York ably served as chairman. Senator MARK HATFIELD, too, had an active interest in the operation of the Commission while he was a member. A former Member of the Senate, Bill Brock, was also instrumental in developing the work of the Commission while he served as one of the Senate's appointed Commissioners in 1976.

Other members of the Commission included Representative TOM STEED of Oklahoma; Mark D. Littler, vice chairman and former senior partner of Arthur Anderson & Co.; Gil Barrett, commissioner of Dougherty County, Ga., and past president of the National Association of Counties; Robert D. Benton, superintendent of public instruction for the State of Iowa; Gov. Otis Bowen, M.D., of Indiana; Bruce G. Fielding of the National Federation of Independent Business; Louis B. Knecht of the Communications Workers of America; Bert Lance and James T. Lynn, both former Directors of the Office of Management and Budget; James T. McIntyre, who served while Acting Director of OMB; Esther Peterson, consumer advisor to President Carter; Elmer Staats, Comptroller General; Donald C. Alexander, former IRS Commissioner; and Joseph Califano, Secretary of the Department of Health, Education, and Welfare.

In its final report, the Commission made several recommendations from which this legislation is drawn. The Commission recommended that paperwork and information management be consolidated under one agency's control in the Government; it recommended a commitment by national leaders to paperwork control and the implementation of a policy called Service Management to deliver services to the people of the United States at the lowest possible cost of Government paperwork; and, urged an attack on continuing and increasing Government requests for information which burden us all with more paperwork.

This legislation, introduced today, is designed to implement those recommendations.

The bill has several titles dealing with various problems which were encountered during the Commission's study. It also includes several proposals which have been studied in both the Senate and the House of Representatives.

The main goal of this bill is simply put: It is to cut down the hidden taxes paid by all Americans in the form of excessive Government paperwork.

While it is difficult to give the Members of the Senate an assessment of how much paperwork is excessive, it is worth noting that during its 2-year life the Commission pinpointed paperwork that could be eliminated valued at $10 billion. Estimates of how much paperwork is costing us all come to about $100 billion per year. Between $25 and $32 billion falls on business with an estimate of about $1,000 per year per small business being a reasonable figure. State and local government costs for Federal paperwork are estimated at over $5 billion, individuals at $8.7 billion, and farmers alone at $350 million.

Additionally, much of this paperwork falls on those least able to cope with it. In New York City, for instance, aid for one dependent child required that child's parent to file 45 feet of paper with various agencies every year. Application for a Small Business Administration loan requires 18 feet of paperwork. A small radio station often spends as much as $5,000 per year complying with Government paperwork. A small college in my home State of New Hampshire estimated Federal paperwork costs at over $750 per year for one of its programs.

Clearly this level of red tape has to be cut. It is inflationary, it is growing, it is a tax, a hidden tax. And it is required in many cases by Government officials who are carrying out what they believe to be the mandate of Congress.

Therefore we should start, as this bill does in titles I and II by curbing our appetite for reports.

In title I of this bill, the Comptroller General is required to report to Congress on unnecessary reports. If we do not disagree with his findings those reports would be abolished. In title II the bill would require that committees of Congress report on the paperback impact of bills before such bills can come up before us for a vote. This has already been enacted into the Senate rules, but the House of Representatives still has not acted on such a change. Additionally this title requires the General Accounting Office to provide such assistance as it can to help us with our impact assessments.

Control of Government paperback rests first with the Congress. If we know what we are doing, it is my hope that we will be less likely to require information that we do not need or which will excessively burden our citizens without great value to us.

In title III, the bill would centralize the clearance of forms. Currently many agencies of the Government are not required to have their forms cleared by the Office of Management and Budget or the General Accounting Office. This bill would, first, end the split jurisdiction between GAO and OMB by giving all authority over forms clearance to the Office of Management and Budget. Financial regulatory agencies, the Office of Education and independent regulatory agencies would also require OMB clearance before forms could be published.

Under this title, OMB will be required to develop paperwork management techniques, making reviews of paperwork management, and make inspections of agency operations, including targets for paperwork reduction established by various agencies.

This title also establishes a governmentwide training program for paperwork and information management specialists.

It would require minimum readability standards for Government agencies who

promulgate regulations through the Federal Register.

It also establishes an Office of Privacy and Confidentiality Review in the Office of Management and Budget which shall recommend for the President and Congress policies and standards on information disclosure, confidentiality, and the safeguarding of security of information. Congress will have 60 days to review these standards.

As a sunset provision, this bill also proposes that all agency programs be reviewed every 5 years to determine whether they should be continued or abolished.

Under title IV of this bill, Regulatory Flexibility, the Office of Management and Budget will establish guidelines to insure that less costly methods of reporting and recordkeeping associated with Government compliance programs will be developed for groups which have shown a high level of compliance with Federal programs in the past. The goal of this section is to insure that those who have traditionally complied with Government rules will not be excessively burdened with compliance paperwork.

Agencies will be directed to assess how to exempt or reduce compliance burdens for small organizations, small transactions, and individuals, thereby lessening the excessive paperwork burden which falls on our 14 million small businesses and other small organizations who are least able to handle Government paperwork requests.

Under title V, there would be established a Federal Information Locator System, which would incorporate all of the types of information currently being collected by the Federal Government. FILS would not contain information itself, other than a listing of all forms and types of information which are collected on those forms. It is the goal of this section to provide agencies which are requesting information with a form of index as to what information is already being collected thereby reducing or abolishing duplication of information requests.

The Office of the Information Locator System would be established in the General Services Administration. All new requests for information shall be screened by this office against the new information locator system to insure that there is a minimum of information requests sent from the Government to the nongovernment sector of the economy.

However the FILS will contain no information itself and all listings of types of information which are subject to the privacy and confidentiality laws will be so shown in the listing.

In title VI, the bill addresses the concurrent jurisdiction of Federal and State Governments in domestic affairs which cause overlap and duplication in information and paperwork requirements imposed on local governments and the private sector. In addition, because Federal domestic assistance programs have been developed in a haphazard and uncoordinated way, there is much unnecessary paperwork. There is a lack of cross-program standardization in information requirements, reporting, and recordkeeping systems; audit requirements; planning requirements and other processes and procedures associated with the transfer of funds from the Federal Government to State and local governments. Nonassistance programs mandated on State and local governments to achieve national social goals also create substantial paperwork and redtape. No effective intergovernmental management organizations exist within the Federal Government to deal with issues of concern to State and local government.

This title establishes as Federal policy that organizational units be established and consultation procedures developed to insure effective State and local representation in the development of rules for domestic assistance programs and in the establishment of intergovernmental management procedures and coordination. Further, a policy is declared that Federal and State duplication of regulation and information requests be reduced through Federal deferral to State laws and procedures where this will accomplish the purpose of Federal law. Research into administrative problems in Federal, State, and local relationships, and seeking prompt reform of these problems is also declared as a policy objective.

The need for improved liaison and communication with State and local governments on both program management and policy issues is addressed by identifying a Presidential adviser on matters affecting Federal, State, and local relations.

The need to improve planning and administrative coordination of Federal requirements imposed on States is addressed by directing the Office of Management and Budget to perform four basic functions:

One. Monitor requirements levied on State and local governments with the objective of coordinating and procedures and developing standards in the areas of planning, administrative, financial, and audit requirements;

Two. Propose legislative changes to improve efficiency in Federal, State, and local relationships;

Three. Establish lead agencies in program areas to develop a single set of policies or regulations for adoption by all other Federal agencies with similar program responsibilities; and

Four. Lighten the reporting and administrative burden placed on States by establishing and assuring compliance with the administrative guidelines described below.

Several guidelines for Federal grants-in-aid are established under the bill to simplify applications and reporting requirements, agencies are directed to:

Insure that no State or local official is required to provide, as part of a grant modification or renewal; information which was provided in the original application.

Use the standard application and financial reporting forms now available from the Office of Mangement and Budget;

Make reporting forms available no less than 2 months before aid recipients are required to use them or to begin collecting data for inclusion in them;

Give the public an opportunity to comment on new application and reporting forms before the final version is decided upon;

Insure that no State or local government is required to submit to the Federal Government more than one original and two copies of any grant application or reporting forms;

Increase coopertaive data collection programs with States; and

Require that a State or local official sign only a single application or report.

To address the problems created for grantees by changing Federal regulations in the middle of a program, agencies are required to let grantees—at their own option—complete their program year by abiding by the regulations which existed at the beginning, except under extraordinary circumstances.

Three provisions may alleviate the problems posed by slow Federal payments to State and local governments. Letters of credit allow a grant recipient to draw funds from the Treasury for approved grants at the time the money is needed. Agencies are requested to convert eligible grants to letters of credit. Agencies are also asked to work with the Department of the Treasury in identifying programs to use electronic funds transfer as another way to speed the payment of Federal grants. Because State and local officials must often spend time identifying which programs Federal checks are for, agencies are requested to label all checks to grant-in-aid recipients.

Need for improved cooperation on audits is also addressed by this section. Since many grant recipients receive Federal funds from more than one program, many State and local governments often must submit to repeated audits of the same set of accounting books by several Federal auditors—each of whom represents a different funding source. Many grant recipients are audited by State and local auditors as well. To make the audit process more orderly and predictable, agencies are requested to make their audit schedules systematically available to grant recipients and to State, local, and private auditors; to conduct single Federal audits wherever possible; and to increase their reliance on State and local audits.

Finally, this title addresses the need to control the costs imposed by grant-in-aid programs on State and local governments, as well as the ultimate users of the assistance. The Advisory Commission on Intergovernmental Relations is directed to make recommendations to the President and the Congress on the appropriate degree of Federal involvement and the level of costs imposed by assistance programs.

Title VII of this bill is a revision of the Red Tape Reduction Act which I introduced in 1977. It provides for up to a 1-year delay in the implementation of new regulations if the agency charged with implementation of the regulations is faced with severe administrative prob-

lems or finds that the new regulations could have a severe paperwork impact on the public.

In title VIII, improving the rulemaking process, the bill aims to develop agency rules and regulations which are written clearly and achieve their legislative goals with a minimum of paperwork and redtape is declared the policy of Congress.

The policy goals are to be carried out by the Office of Management and Budget. The Office of Management and Budget will establish procedures to insure that agency heads are accountable for determining that individual regulations are needed; that they are the least burdensome means of achieving a stated policy; that they are written in plain English; and that there has been adequate public involvement in the rulemaking process. As part of improving opportunities for public comment, agencies are also required to publish, at least semiannually, an agenda of significant regulations under development or review.

To better inform citizens about rules which may affect them, the Administrative Procedure Act is amended to require the agencies should use publications in addition to the Federal Register whereever appropriate. The amendment also required that the public be informed of any reporting forms and the estimated paperwork burden imposed on those who must comply with the proposed rule; and in addition, the date on which the rule is scheduled to become effective.

To insure that agencies make meaningful efforts to obtain public comments on proposed rules, they are required to include their determinations on such comments as part of the rulemaking record. They must also publish a synopsis of their efforts to obtain and respond to public input.

The Administrative Procedure Act is amended to extend the time during which the public can comment on rules from 30 to 45 days. In the case of significant regulations which have an annual impact of more than $100 million, the comment period is extended to 60 days.

In title IX, improving Government responsiveness to citizens, the bill coordinates agency standards and practices to respond to public complaints. The need for central coordination was evidenced by a recent Government study which found that nearly 75 percent of citizens did not obtain a satisfactory resolution of their problems as a result of agency's complaint-handling mechanisms.

A new Office of Management and Budget program should improve complaint handling throughout the executive branch by providing both standards and oversight. The program should insure that issues involving more than one agency are satisfactorily resolved. Providing information on Federal programs and complaint-handling mechanisms will be a part of this program.

The Federal Information Centers of the General Services Administration handled 8 million inquiries in 1977 from citizens in need of assistance or concerned with the functioning of Government. These centers have been operating to date on only a temporary basis. This section authorizes and directs the Administrator of General Services to establish within the General Services Administration a nationwide network of Federal Information Centers based on the currently operating pilot centers, for the purpose of responding to requests from the public on the rules, programs, and benefits of the Federal Government.

The bill also authorizes the Administrator to promulgate such regulations as may be necessary to the functioning of the Federal Information Centers. The Federal Information Center program is not intended to discourage the public from approaching a Federal department or agency directly with questions or problems. The program is to assist those who do not know where to turn to find an answer. The bill authorizes appropriations of $7 million for fiscal year 1980 and thereafter with sums as may be necessary.

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

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

S. 3144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hidden Tax Reduction Act".

SEC. 2. (a) The Congress hereby finds that unnecessary paperwork and redtape—

(1) are crippling the effectiveness of Federal programs;

(2) are costing tremendous amounts of money through direct taxes or the hidden taxes of higher consumer prices;

(3) contribute to losses of productivity and increases in inflation;

(4) lead to attitudes of mistrust, anger and fear which are not compatible with our democratic system.

(b) The Congress further finds that problems of unnecessary paperwork and redtape can be eliminated or avoided if the following three principles are followed when legislation and regulations are being drafted, and programs being evaluated—

(1) the full costs and value of government programs must be examined; including not only the costs and value to government, but also to other individuals and groups outside the Federal Government;

(2) alternative ways to run programs must be examined so that a conscious choice can be made as to who will bear costs and receive benefits;

(3) and all parties involved in a Federal program must contribute to its design and evaluation to avoid or remove problems of unnecessary costs and losses in effectiveness.

(c) The Congress hereby determines that new policies and management procedures are necessary to eliminate needless paperwork and redtape and make the Federal Government an effective and efficient instrument in service to the American people.

TITLE I—ELIMINATION OF UNNECESSARY REPORTS TO CONGRESS

SEC. 101. Section 202(d) of the Legislative Reorganization Act of 1970 is amended by adding at the end thereof the following new paragraphs:

"(2) The Comptroller General shall submit to each Congress within four months of its start a list of such recurring reporting requirements imposed by law or administrative requirements which are transmitted to either or both Houses of Congress which he has determined, through consultation with the committees and leadership of Congress, to no longer be useful, together with his recommendation for elimination, or modification thereof. The Comptroller General shall also identify any reports from the public which could be discontinued if the report to the Congress is eliminated or modified. Such recommendations shall be submitted in the form of a joint resolution, and shall be referred to the Governmental Affairs Committee in the Senate and the Government Operations Committee in the House of Representatives.

"(3) The appropriate Committees shall make their recommendations to the House of Representatives or the Senate, respectively, within 45 calendar days of continuous session of Congress following the date of such resolution's introduction.

"(4) The recommendations of the Comptroller General shall be considered by both Houses using the same procedures established for consideration of Presidential Reorganization Plans under 5 U.S.C. 911 and 912.

"(5) The provisions of Section 202(d)(4) are enacted by Congress with the same reservations of rulemaking authority for each House covered by 5 U.S.C. 908 (1) and (2).

TITLE II—PAPERWORK ASSESSMENTS OF LEGISLATION

SEC. 201. The report accompanying each bill or joint resolution of a public character reported by any committee of the House of Representatives or Senate (except the Committees on Appropriations) shall contain—

(1) a determination of the amount of additional paperwork that will result from the regulations to be promulgated pursuant to the bill or joint resolution, which determination may include, but need not be limited to, estimates of the time and financial costs required of affected parties, showing whether the effects of the bill or joint resolution could be substantial, as well as reasonable estimates of the recordkeeping requirements that may be associated with the bill or joint resolution; or

(2) in lieu of such evaluation, a statement of the reasons why compliance by the committee with the requirements in paragraph (1) is impracticable.

SEC. 202. Departments and agencies in commenting on bills relating to their respective areas of responsibility shall include in their comments the determinations required by Section 201. Upon request, the General Accounting Office shall assist Congressional Committees in evaluating the comments furnished by the agencies and others.

SEC. 203. It shall not be in order for the House of Representatives or Senate to consider any such bill or joint resolution if the report of the committee on such bill or joint resolution does not comply with the provisions of this title.

SEC. 204. Sections 201 and 203 of this title are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives or Senate and as such they are deemed a part of the rules of the House of Representatives or Senate but applicable only with respect to the procedure to be followed in the House of Representatives in the case of resolutions described by Sec. 201 of this title; and they supercede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the House of Representatives or Senate to change the rules (so far as relating to the procedure of the House of Representatives or Senate) at any time, in the same manner and to the same extent as in the case of any other rule of the House of Representatives or Senate reporting and recordkeeping requirements to the government and the public.

(e) The Office of Management and Budget shall publish such regulations and guidance relating to program organization, operations, and information activities as it deems necessary:

(1) to simplify Federal programs

(2) to make Federal programs more responsive

(3) to make Federal programs more understandable; and

(4) to eliminate unnecessary costs and burdens on others resulting from Federal programs.

(f) The Office of Management and Budget shall review the effectiveness of the Federal Information Locator System (established under Title V of this Act) in meeting the information management needs of government and, in particular, the needs of the Office of Management and Budget in fulfilling its responsibilities under the Federal Reports Act of 1942, and make any appropriate recommendations to strengthen the system.

(g) (1) The Office of Management and Budget shall exercise government-wide controls over Federal information requests under such regulations as it may establish, with the exceptions that any disapproval of an application from an independent regulatory agency to establish a public-use report may be voided by a resolution passed by either the Senate Governmental Affairs Committee or the Committee on Government Operations of the House of Representatives, and that all applications to establish a public use report must be acted upon within 60 days.

(2) To establish this single authority, the following amendments are made:

(A) Section 3502 of Title 44, United States Code, in the first paragraph defining "Federal agency" is amended by striking out "independent Federal regulatory agencies,".

(B) Section 3507 of Title 44, United States Code, is amended by striking out the second undesignated paragraph thereof.

(C) Subsections (a) and (b) of section 409 of Public Law 93–153 (87 Stat. 593) are repealed.

(D) Chapter 35 of the Title 44, United States Code, is amended by striking out section 3512.

(E) Section 7 of the Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 766) is amended by striking out subsection (j) thereof.

(h) The Office of Management and Budget shall coordinate and monitor a government-wide training program to improve the skills of information management specialists within the government and a research program to develop additional effective paperwork cost accounting and reduction techniques.

(i) The Office of the Federal Register, General Services Administration, shall set minimum readability standards and issue such guidelines on the development of readable regulations as it deems appropriate to assure that Federal regulations are understandable to those who must comply. The Director of the Office of the Federal Register shall return to the responsible agency head regulations which he determines do not meet minimum readability standards.

(j) There is hereby established within the Office of Management and Budget an Office of Privacy and Confidentiality Review. This Office shall be responsible for developing and recommending to the President and the Congress policies and standards no information disclosure, confidentiality, and safeguarding the security of information collected or maintained by Federal agencies, or in conjunction with Federal programs. The Director of the Office of Management and Budget, working through the Office of Privacy and Confidentiality Review is authorized and directed to provide advice and guidance to other executive branch agencies, monitor compliance with the privacy aspects of information management laws, receive and mediate citizen privacy complaints, and issue such standards and regulations as are required. Standards and regulations issued by the Office shall lie before the Congress for 60 days before taking effect.

(k) Each agency shall establish at the department or agency head level a Regulatory Review Program to provide planning and oversight of the regulatory activities of the agency in the interest of developing simpler, less costly, and more understandable regulations. The Office of Management and Budget shall coordinate the regulatory activities of the agencies working through the agency regulatory review programs, oversee their activities, and issue such directives as it feels necessary to improve the regulatory activities of the Federal Government.

(l) The Office of Management and Budget shall provide for a review of agency programs and their regulations no less than once every five years to determine if it is feasible and desirable, for them to be continued, and whether they should be simplified or eliminated.

(m) The Records Management Act of 1950 (44 U.S.C. 2904) is amended by adding "(11) The National Archives and Records Service of the General Services Administration is authorized and directed to conduct studies and promulgate standards, procedures and guidelines with respect to records retention requirements imposed on the public by Federal agencies."

SEC. 302. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

TITLE IV—REGULATORY FLEXIBILITY

SEC. 401. The Director of the Office of Management and Budget shall establish guidelines and regulations to provide for:

"(A) less costly reporting and recordkeeping requirements on persons and organizations with a record of regulatory compliance or achievement of program objectives;

"(B) less costly regulatory requirements for small business, small local governments, other small organizations, individuals, and small transactions where such requirements would allow the accomplishing of Federal objectives without unnecessarily burdening such organizations, persons or transactions;

"(C) standard and objective criteria for applying the policies established by this section; and

"(D) policy reviews by single lead agencies of all regulations in related program areas to promote uniformity in application.

SEC. 402. Section 553 of title 5, United States Code, is amended by adding at the end thereof:

"(f) Prior to the issuance of a rule, the agency shall consider and incorporate as a part of the statement of purpose of the rule required to be published in the Federal Register a written analysis of whether it is lawful, feasible, and desirable for the agency to exempt or reduce the burden of the rule for individuals, small organizations, or small transactions."

TITLE V—ELIMINATION OF UNNECESSARY DUPLICATION

FEDERAL INFORMATION LOCATOR SYSTEM

SEC. 501. (a) There is hereby established a Federal Information Locator System composed of an information locator, a data element dictionary, and an information referral service.

(b) The Federal Information Locator System shall serve as the authoritative register of all public use reports.

(c) The data profiles describing the general contents of those reports shall be used to—

(1) identify duplication in existing or new reporting requirements;

(2) locate existing information that may meet the needs of a Federal agency and thereby promote sharing of such information to avoid duplication;

(3) provide a central coordination mechanism for Federal, State and local government requirements for information;

(4) maximize the use of information by identifying available information which will be of utility to Congress, and the general public; and

(5) keep track of the total public paperwork reporting burdens so that effective action can be applied to reduce such burdens.

FEDERAL INFORMATION LOCATOR OFFICE

SEC. 502. There is hereby established within the General Services Administration a Federal Information Locator Office (hereinafter referred to in this Act as the "Locator Office"). The Locator Office shall be administered by a Director (hereinafter referred to in this Title as the "Director") who shall be appointed by the Administrator of General Services and who shall be compensated at the rate provided for GS–18 of the General Schedule under section 5332 of Title 4, United States Code.

SEC. 503. For the purposes of this title, the term—

(1) "Information holding" means any collection of data, documents or literature owned or controlled by the Federal Government, irrespective of the physical form thereof or the method of its collection, use, storage, or transmission.

(2) "Data profile" means data elements which are descriptive of information holdings, thereby including such items as the official name of the information holding, its location, the responsible agency which established and administers it, the authorizing statute, a description of its contents, and other information necessary to adequately identify, access and use the data, documents, or literature contained within the information holding.

(3) "Information Locator" means an index or catalog of information holdings, wherein an information holding is described by a data profile.

(4) "Federal agency" means an agency as defined by section 551(1) of Title 5, United States Code.

(5) "Data element dictionary" means a thesaurus of standard and uniform definitions for commonly used names, terms, abbreviations and symbols used in Federal information holdings.

(6) "Information referral service" is the communications function that permits officials and citizens access to the Federal Information Locator System.

(7) "Public-use report" is a data collection instrument used by Federal agencies to collect information from ten or more respondents outside the Federal Government, pursuant, to the Federal Reports Act.

(8) "Duplication" means redundancy in data and information collected by Federal agencies, whether through public-use reporting, interagency reporting or internal agency reporting, including, but not limited to—

(A) identical duplication involving two or more individual elements of data which have the same definition or meaning;

(B) similar duplication involving individual data elements related to the same specific subject but with minor differences in definition; and

(C) generic duplication involving reports requesting groups of data that relate to the same subject.

(9) "Federal Information Locator System" means the system administered by the Federal Information System Locator Office established by section 302 of this title.

(10) "Lead agency" means an agency which may be designated by the Director of the Office of Management and Budget to coordinate related information activities.

DUTIES

SEC. 504. The Director shall—

(1) cause to be prepared a data profile for each public use report;

(2) prepare an automated indexing system of all holdings as authorized under this title;

(3) screen all planned public-use reports through the information locator as authorized under this title; and

(4) register all approved new reports and other information holdings in the Federal Information Locator System as authorized under this title.

SCREENING AND MATCHING NEW REPORTS

SEC. 505. Profiles for planned new requirements will be matched against existing profiles in the information locator and the results of such matching shall be made available to—

(a) agency officials planning new information activities;

(b) the relevant Federal agency reports clearance officers;

(c) the clearance office in the Office of Management and Budget; and

(d) the general public.

REGISTRATION OF REPORTS AND HOLDINGS

SEC. 506. (a) The Director shall establish procedures to ensure that at a minimum all data items in public-use reports are registered in the Federal Information Locator System. The Director shall also include in the system major Federal agency information holdings, including but not limited to—

(1) statistical series;

(2) standard and optional forms.

PRIVACY AND CONFIDENTIALITY CONTROLS

SEC. 507. (a) The Director shall insure that no actual data is contained within the locator system, except descriptive data profiles necessary to identify duplicative data or to locate information. Any information holding which contains a data element of a personal or proprietary nature within the meaning of the Privacy Act of 1974, shall be appropriately annotated in its data profile through a coding system that—

(1) identifies the fact that the actual data, wherever it may be located, is personal or proprietary and therefore access and use is restricted in accordance with safeguards prescribed by the Privacy Act or other provisions of laws; and

(2) classifies the data elements with respect to the degree of sensitivity of the data itself, user restrictions, access restrictions, safeguard provisions, and such other identifying information as may be helpful to users of the System.

(b) The Director shall identify, by means of appropriate classification systems and coding controls, data which has been determined subject to the provisions of the Freedom of Information Act including whether it may fall under one of the exemptions of such Act.

(c) The head of each Federal agency shall establish such procedures as may be necessary to insure the compliance of such agency with the requirements of this section including necessary screening and compliance activities.

TITLE VI—IMPROVING FEDERAL, STATE, LOCAL GOVERNMENT REGULATIONS

SEC. 601. This title may be cited as the "State and Local Government Paperwork Relief Act."

SEC. 602. The Congress hereby declares that it shall be the policy of the Federal Government with regards to the operation of Federal programs involving State and local government:

"(A) to operate Federal programs in a manner which reflects respect for and trust in the capabilities of State and local government;

"(B) to provide high-level officers in the Executive Office of the President and the agencies for State and local officials to contact to resolve issues resulting from legislation, regulations, program procedures, and program reviews;

"(C) to simplify, wherever possible, Federal requirements of State and local governments through the development of standard requirements and procedures, such as standard planning requirements;

"(D) to coordinate State and local governmental activities and related Federal activities;

"(E) to permit the acceptance of State statutes, regulations, and procedures where State action will accomplish the policies and objectives of applicable Federal law; and

"(F) to undertake continuing research into administrative problems in Federal, State, and local relationships, and to seek prompt reform.

SEC. 603. The President shall appoint from among his staff an officer who shall be responsible for advising the President on matters affecting Federal, State, and local relations and overseeing the resolution of such issues.

SEC. 604. The Director of the Office of Management and Budget shall:

"(a) monitor proposed legislation and regulations and make such studies as are necessary to determine how Federal, State and local operations may be coordinated and simplified, and appropriate standards for administrative requirements and procedures developed, particularly in the areas of planning, administrative, financial and audit requirements;

"(b) propose to the President Administrative Reform Plans as established under Title VII of this Act and legislation to accomplish the goals of more efficient and effective Federal, State and local government operations;

"(c) establish cognizant or lead agencies in program areas to reduce administrative overlap and confusion; and

"(d) establish administrative guidelines and regulations which Federal agencies shall follow, and void agency requirements not in accord with such regulations, including:

(1) Reporting forms and requirements developed by program agencies for the use of State and local participants in Federal grant programs should be distributed as part of the application process or should be released no less than two months before aid recipients are required to begin collecting data. No agency may request information on grant activities from recipients for periods during which the reporting format was unavailable except when the head of the granting agency personally determines otherwise within guidelines issued by the Director of the Office of Management and Budget.

(2) Agencies should provide an opportunity for users and interested members of the public, to comment on all proposed new application and reporting forms to be filled out by State and local grant recipients.

(3) In supporting grant modifications or renewals, State and local governments shall be required to submit only new and updating material, thereby eliminating the need to submit information provided with the original application.

(4) All Federal agencies shall use the standard application and financial reporting forms developed by the Office of Management and Budget. The standard forms shall be used to fulfill all agency financial reporting requirements except that additional data specifically required by statute or the Congress and not covered by the standard forms may also be requested. Agencies shall work with the Office of Management and Budget from time to time to revise the existing standard forms where experience indicates that a change is necessary.

(5) Agencies should establish cooperative data collective programs with State and local governments wherever practical to eliminate duplicative reporting of similar data by more than one level of government, so long as no legal prohibition against this exists.

(6) Federal agencies should ensure that no State or local chief executive officer or other certifying official is required to sign a single reporting or application submission to Federal agencies more than one time, except as specifically required by law.

(7) Applicants and grantees shall be required to submit to Federal agencies no more than one original and two copies of any application, financial or performance report.

(8) Whenever an agency revises a grant-in-aid regulation, grantees then participating in the program should not be required to comply with the revised regulation until the beginning of the first grant program year after the effective date of the new regulation. Exceptions as established by OMB shall include when (1) immediate compliance is specifically required by law, or (2) the head of the promulgating agency demonstrates that deferral of the regulations would be detrimental to the public health or safety, or the rights of individuals. Grantees may choose to comply with the revised regulations immediately upon promulgation.

(9) Agencies should work with the Department of the Treasury to convert all eligible grants to letters of credit. Grant payments should be made by letter of credit if they are advanced for costs incurred and if they are made over a period of at least a year.

(10) Agencies should work with the Office of Management and Budget and the Department of Treasury to reduce to a minimum the time it takes to pay grantees under reimbursable programs.

(11) Agencies should work with the Department of Treasury to identify grant programs for inclusion in an electronic fund transfer system as Treasury develops its EFTS capability for making payments to State and local governments.

(12) Agencies should label all checks sent to grant-in-aid recipients, indicating the program to which each grant payment shall be credited. The Department of Treasury will provide guidance on procedures.

(13) To the maximum extent practical, Federal agencies should accept audits of Federally-assisted programs by States and localities, unless either State auditors decide that they do not wish to perform a given audit or it is determined that a particular State does not have the capability to perform an audit in accordance with Federal guidelines.

SEC. 605. The Advisory Commission on Intergovernmental Relations is hereby authorized and directed to prepare and submit to the Congress and the President within one year a report with recommendations for criteria to establish the degree of Federal involvement and imposed cost appropriate in State and local assistance, taking into account such factors as the ultimate user of the assistance, the relative proportion of Federal funds involved, and whether the assistance should encourage local discretion.

TITLE VII—ADMINISTRATIVE REFORM

SEC. 701. Section 553 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g)(1) Upon the request of an agency head, the President may issue an Executive Order delaying for a period not to exceed one year the effective date required by law for the promulgation of rules or regulations or non-substantive administrative provisions of law, except as provided in subparagraph (4) of this subsection. Such Executive Order must include a finding that the effective date or administrative provisions by law are impracticable due to—

"(A) the existence of administrative problems which would require Congress to amend

existing legislation, or to clarify Congressional intent; or

"(B) the inaccessibility of immediate, relevant statistical data; or

"(C) unnecessary public impact which could be avoided by additional time for consultation with affected parties.

"(2) Under the circumstances outlined in paragraph (1) of this subsection, the President shall transmit to both Houses on the same day, and to each House while it is in session, the Executive Order as provided in paragraph (f)(1) of this section, or an Administrative Reform Plan containing nonsubstantive administrative amendments which the President determines shall be necessary for effective and efficient implementation of the law.

"(3) The Executive order and administrative reform plan shall be considered by both Houses using the same procedures established for consideration of Presidential Reorganization Plans (5 U.S.C. 903(b), 906, 908, 909, 910, 911, and 912).

"(4) No request for an Executive order described in paragraph (1) or administrative reform plan described in paragraph (2) of this section shall issue if, in the opinion of agency head or the President, such order or plan, if issued would so delay the promulgation of the final rule or regulation by an agency as to present a substantial risk to the health or safety of any person or to national security.

"(5) The agency shall promulgate such rules as best implement the law not later than sixty days after a response is received from the congressional committees with original jurisdiction, or a resolution of disapproval relating to the Executive order or administrative reform plan is adopted in either House of Congress.

TITLE VII—IMPROVING THE RULEMAKING PROCESS

SEC. 801. The Congress hearby declares as its policy that existing and future regulations of departments and agencies shall be as simple and clear as possible. They shall achieve legislative goals effectively and efficiently. They shall not impose unnecessary burdens on the economy, or individuals, or public or private organizations, or on State and local governments.

SEC. 802. The Office of Management and Budget shall insure that departments and agencies adopt procedures to achieve the policy goals of section 801. These procedures shall insure that:

(a) the need for and purposes of the regulation are clearly established;

(b) heads of agencies and policy officials exercise effective oversight;

(c) opportunity exists for early participation and comment by other Federal agencies, State and local governments, businesses, organizations, and individual members of the public;

(d) meaningful alternatives are considered and analyzed before the regulation is issued;

(e) compliance costs, paperwork and other burdens on the public are minimized;

(f) regulations can be easily understood by those who must comply with them; and

(g) agencies publish, at least semiannually, an agenda of significant regulations under development or review.

SEC. 803. Section 553(b) of title 5, United States Code, is amended:

(a) by inserting after the first sentence thereof the following: "Additional appropriate publications shall be used whenever such use would substantially improve notification to those parties significantly affected by the proposed rule."

(b) by striking out "and" in paragraph (2) thereof;

(c) by striking out the period at the end of paragraph (3) thereof and inserting in lieu thereof a semicolon; and

(d) by adding immediately after paragraph (3) thereof the following new paragraphs:

"(4) an estimate of the projected paperwork burden on all affected parties involved in complying with the proposed rule, including the type and number of people, organizations, and State and local governments affected, the time required to comply, the expertise or special training involved in compliance, and the cost of compliance including consideration of the total paperwork burden imposed by government on the affected parties;

"(5) the tentative date, whenever it is possible to so project such date, upon which the proposed rule is scheduled to become effective; and

"(6) any proposed reporting forms which will be required by or may result from the rule."

AGENCY COOPERATION WITH AFFECTED PARTIES

SEC. 804. Section 553(c) of title 5, United States Code, is amended by inserting after the second sentence thereof the following new sentences: "The statement shall include a synopsis of the agency's efforts to obtain and respond to a broad range of public input during the drafting of the rule. A rulemaking record shall be compiled which contains the information considered and the factual administrative determinations made in each rule."

EXTENSION OF OPPORTUNITY TO COMMENT

SEC. 805. Section 553(d) of title 5, United States Code, is amended by striking out "thirty days before its effective date" in the first sentence thereof, and inserting in lieu thereof "forty-five days before its effective date, or sixty days in the case of significant regulations which will result in an annual effect on the economy of $100,000,000 or more when measured in 1978 dollars,".

TITLE IX—IMPROVING GOVERNMENT RESPONSIVENESS TO CITIZENS

SEC. 901. The Director of the Office of Management and Budget is hereby authorized and directed to establish a program and set agency responsibilities to provide the public with information about Federal programs and procedures, to set standards for the handling by Federal agencies of public complaints and suggestions, to coordinate the handling of complaints or suggestions involving more than one agency, and monitor Executive Branch responsiveness.

SEC. 902. The program shall—

(a) provide information to the public on Federal programs and procedures under section 903;

(b) set guidelines and standards of performance for handling complaints and make suggestions to ensure minimum levels of responsiveness within the Executive Branch;

(c) monitor the effectiveness of agency efforts;

(d) improve feedback to government of burdens imposed by Federal requirements and better identify areas where government is unnecessarily complex and difficult to understand;

(e) establish screening and referral criteria and procedures for agencies to use in referring interagency cases;

(f) work with individuals, local governments, organizations and agencies to resolve problems which cannot be handled by the individual agencies.

SEC. 903. The Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, is hereby amended by the addition of the new Title IX, "Federal Information Centers," to read as follows:

"TITLE IX—FEDERAL INFORMATION CENTERS

"SHORT TITLE

"SEC. 901. This title may be cited as the 'Federal Information Centers Act.'

"DECLARATION OF PURPOSE

"SEC. 902. The Administrator is hereby authorized and directed to establish within the General Services Administration a nationwide network of Federal Information Centers for the purpose of providing the public with information about the programs and procedures of the Federal Government and for other appropriate and related purposes.

"AUTHORIZATION FOR REGULATIONS

"SEC. 903. The Administrator is authorized to promulgate such rules and regulations as may be necessary to the functioning of the Federal Information Centers.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 904. There is hereby authorized to be appropriated $7,000,000 for fiscal year 1980 and such sums as may be required thereafter for the operation of the Federal Information Centers."

TITLE X—MISCELLANEOUS PROVISIONS

SEPARABILITY

SEC. 1001. If any provision of this Act or the applicability thereof is held invalid with respect to its application to any person, place, or event, the remainder of this Act shall not be affected thereby.●

● Mr. HUDDLESTON. Mr. President, it is a privilege for me to join the principal author of this legislation, Senator MCINTYRE, in introducing it today. The Hidden Tax Reduction Act, if enacted, would make long overdue corrections in the Federal Government's handling of reporting and recordkeeping requirements. The bill as presented today implements three major recommendations of the now defunct Commission on Federal Paperwork, which was so ably chaired by Senator MCINTYRE.

First, a firm national commitment to paperwork control is spelled out in the bill.

Second, the bill would consolidate paperwork management into one single agency of the Government, the Office of Management and Budget (OMB). Whereas now the General Accounting Office and OMB both handle some paperwork clearance and management and many reports have no clearance procedures whatsoever, the OMB would take over final responsibility for all forms.

Third, mechanisms are established that would provide a continuing attack on increased requests by Government agencies for information. Included in these mechanisms are two items worthy of particular note. These are:

First, the statutory establishment of the requirement for an assessment of the paperwork to be generated by new legislation reported out of House and Senate committees. Now a part of Senate rules, I believe that spelling it out in the law will make us in the Congress even more aware of the paperwork creating aspects of the legislation we enact. We need to know who will have to file and complete reports after the Federal bureaucrats take our legislation and publish their regulations. For instance, we need to know how a piece of legislation and the resultant regulations will affect our elderly citizens or our small businesses. Then we will be in a better position to change or alter the legislation to eliminate unnecessary paperwork requirements.

Second, a "Federal information locator system" would be established to not only catalog present information requirements but also to match planned new requests with existing information profiles in order that duplication can be avoided.

Every segment of our society is being inundated with the paperwork burden. Government reporting requirements now cost the American public an estimated $100 billion each year. Improvements need to be made and I believe progress has begun. President Carter has already, by administrative order, reduced the number of man-hours spent meeting reporting requirements by over 10 percent. Further net decreases are in the offing this week as agencies must indicate how they intend to comply with another recent Executive order calling for streamlining of the regulatory process.

On the legislative front, the Congress as I have already mentioned is now more aware than ever that action must be taken now to stem the omnious tide of the paperwork flow. Therefore, I am especially gratified to cosponsor this measure today. It is in my mind the most comphensive paperwork control measure yet presented for consideration. I urge its prompt adoption.●

● Mr. CHILES. Mr. President, I welcome the opportunity to join Senator McINTYRE and Senators HATFIELD, ANDERSON, and HUDDLESTON in cosponsoring the Hidden Tax Reduction Act.

I believe this bill is important. It represents a comprehensive attack on the cloudbursts of paperwork and redtape the Federal Government showers on the citizens, businesses, and State and local governments of this country. It should serve as a point of departure for congressional initiatives to eliminate unnecessary paperwork burdens.

The Paperwork Commission estimated that the dollars spent on Federal paperwork exceed 100 billion a year. Even a marginal reduction in that cost has the potential of saving the taxpayers billions of dollars. More importantly, paperwork reductions impact citizens directly by cutting the time and hassle involved in filling out one form after another for every reason imaginable.

I wish to compliment Senator McINTYRE for sponsoring this bill, and Senator MARK HATFIELD, who served with the Senator from New Hampshire on the Federal Paperwork Commission for his work. This omnibus bill incorporates many of the Paperwork Commission's recommendations and provides mechanisms to act upon three principles which are basic to reducing paperwork burdens:

Full costs of Government programs, both to the Government and outside groups and individuals. should be looked at in drafting legislation and regulations;

Alternative ways to run programs must be examined so conscious choices can be made on who will bear the costs and receive the benefits; and

Full participation by all parties involved in a Federal program must contribute to its design so inadvertent costs and burdens are avoided.

In the bill's 10 titles several proposals which establish means for the Congress and the executive branch to use these principles are made. I join the other sponsors in inviting other Senators to support this bill.

The Subcommittee on Federal Spending Practices of the Governmental Affairs Committee, has responsibilities for paperwork reduction measures. As chairman of the subcommittee I would like to say that we will give this bill our attention.

We plan to initiate a series of hearings on paperwork reduction in late June. The subcommittee will be hearing from the administration, the Comptroller General and others on the status of the Paperwork Commission recommendations.

As part of the President's strategy to reduce paperwork, the statutory requirement for the Office of Management and Budget to report on the status of the Paperwork Commission recommendations has been consolidated with the President's overall paperwork reduction program. We will hear about the administration's accomplishments to date, a description of the President's overall strategy, a status report on the Commission's recommendations, and the administration's views on the Hidden Tax Reduction Act.

I understand the President's program has generated other legislative proposals as well. The subcommittee intends to work in partnership with other committees, the rest of Congress, and the administration in seeking to fulfill "targets of opportunity" to reduce paperwork.

Unlike many governmental bodies, the Paperwork Commission went out of business. Its work is finished. The challenge is now up to the rest of Government to followup on its work. This bill is a start for the Congress to think about what legislation is needed. I plan to do my part to get the ball rolling. ●

By Mr. MOYNIHAN:

S. 3145. A bill to extend the time period for congressional study of certain fringe benefits; to the Committee on Finance.

CONGRESSIONAL STUDY OF FRINGE BENEFITS

Mr. MOYNIHAN. Mr. President, I am introducing today a bill to extend the time for congressional review and study of some proposed areas of taxation—travel expenses and fringe benefits.

On May 11, 1978 Congress passed H.R. 9251, the Tax Treatment Extension Act. It contained provisions which would, in effect, prohibit the Internal Revenue Services from issuing new regulations to treat as income certain fringe benefits and travel expense reimbursements.

Congress determined then that such regulations would be most unusual, and warranted a closer study of their impact on the incomes and tax burdens of the Nation's work force. We therefore gave ourselves until mid-1978 to study this proposition, a reasonable period of time when the bill was introduced on October 27, 1977.

It has now become clear that the time is not sufficient. My bill would simply extend the effective dates to December 31, 1979. I hope to have the support of my colleagues.

By Mr. HART:

S. 3146. A bill to expand the jurisdiction of the Nuclear Regulatory Commission over nuclear waste storage and disposal facilities and for other purposes; to the Committee on Environment and Public Works.

NUCLEAR WASTE REGULATION ACT OF 1978

● Mr. HART. Mr. President, today, I am introducing the Nuclear Waste Regulation Act of 1978. This legislation reforms the regulatory framework for nuclear waste management to reflect accurately current nuclear waste problems and to assure protection of public health and safety.

Nuclear waste management is one of the most serious, and yet most neglected, environmental, and public health issues facing our country today.

This is not a new problem. It has been with us for a long time. We have been accumulating radioactive wastes since the Manhattan project signaled the dawn of the atomic age. For the past three decades, millions and millions of gallons of toxic, long-lived nuclear wastes have been generated. With the growing demand for energy, we are creating more and more. Yet, to this day, we have no plan for permanent disposal of these wastes—and our program for short-term storage and disposal of nuclear waste has been inadequate.

To date, our nuclear waste program has avoided disaster—there have been no immediate casualties—there has been no wholesale contamination of our environment. But short of that, we have compiled a frightening catalog of errors.

The orphaned wastes at the abandoned fuel reprocessing plant in New York; plutonium leaking from the low-level waste burial site in Kentucky; the dismal history of uranium milltailings in Colorado, the public outcry against geological testing in Michigan; and the radiation seeping from barrels dumped into the ocean, are just a few of the examples which mark the flawed history of this country's past efforts to manage nuclear wastes.

These mistakes and others led the General Accounting Office to conclude last fall that our nuclear waste management program "has been negligible to date," and that "further program goals are overly optimistic because the administration faces many unsolved social, regulatory, and geological obstacles."

The stakes involved more than public health and our environment. The nature of our future energy supply is at issue also. Sixty-nine nuclear reactors are operating in this country today, providing almost 12 percent of our electrical needs By the year 2000, nuclear advocates urge construction of more than 350 reactors.

If an acceptable solution to radioactive waste disposal is not developed, we may be forced to look seriously at halting further development of this energy resource. The political climate is changing.

The public, through its elected representatives, will demand a halt to nuclear energy development if our waste management programs are not improved and if answers to the long-term disposal question are not provided.

Mr. President, the legislation I am introducing today will put us on the road to solving this problem.

The Subcommittee on Nuclear Regulation has already held 3 days of nuclear waste hearings. This bill was drafted to address the issues and problems identified in those hearings.

On June 13 and 14, the subcommittee will hold additional hearings to consider this bill, along with other waste licensing legislation that has been referred to the Committee on Environment and Public Works.

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

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

S. 3146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Nuclear Waste Regulation Act of 1978.

SEC. 2. The purposes of this Act are to:

(a) recognize that future development of nuclear power is contingent upon expeditious development of a sound program for safe, long-term disposal of nuclear waste;

(b) direct and authorize the Nuclear Regulatory Commission (hereinafter in the Act referred to as the Commission) to license and regulate the storage and disposal of all forms of radioactive waste, regardless of source or ownership;

(c) establish minimum Federal standards for disposal and storage of uranium mill tailings and low-level radioactive wastes which may be regulated by the States; and

(d) direct the Commission to under take a comprehensive study of nuclear waste disposal technology, regulation, and planning, and on completion of such a study, take appropriate action to protect public health and safety, and the environment.

SEC. 3. (a) Section 202 of the Energy Reorganization Act of 1974 is amended by striking subsections (3) and (4) and inserting in lieu thereof the following:

"(3) Short- and long-term storage and disposal facilities for all radioactive wastes, including but not limited to low and high level radioactive wastes, irradiated nuclear reactor fuel, non-high level transuranium contaminated wastes, radioactive gases, and the naturally occurring daughters of uranium and thorium found in the tailings or wastes produced by the extraction or concentration of uranium or thorium from source material as defined in section 11.z.(2) of the Atomic Energy Act of 1954, as amended, including such materials generated by activities in foreign countries or by activities which are part of research and development or defense programs, and including decommissioned facilities and facilities in existence prior to October 11, 1974.

Upon a determination published in the Federal Register that such action is in the national security interest of the United States and after notice to and a reasonable opportunity for comment by the Commission, the President may exempt any facility subject to the requirement of a license under this section from any condition or requirement of such license or from the license requirement itself.".

(b) The Commission is authorized and directed to define by rule, regulation, or order, the term "short-term" in section 202 (3) of the Energy Reorganization Act of 1974 as amended by subsection (a) of this section within 3 months of the date of enactment of this section. Such definition shall not provide a lower limit longer than 6 months for what constitutes short-term storage.

(c) For each Department of Energy facility in operation or under construction on the date of enactment of this secion which is newly subjected to the license requirement by the amendment contained in subsection (a), the Secretary of Energy shall file with the Commission within 4 months of such date a preapplication report setting forth all relevant environmental and safety data. On the basis thereof, the Commission shall prescribe such conditions and requirements as are necessary to protect the public health and safety and the environment pending license issuance. Within 1 year of such date, the Secretary of Energy shall file with the Com- of such applications within 5 years of such facility, and the Commission shall dispose of such appliactions within 5 years of such date. Should the Commission determine such a facility cannot meet licensing standards in the absence of remedial action, it may issue a conditional license which affords the Secretary of Energy a period of compliance not to exceed 5 years from issuance.

Should the Commission determine such a facility cannot in any event meet licensing standards, it shall prescribe such conditions and requirements as are necessary to protect the public health and safety and the environment while facility operations are terminated and the facility itself is rendered harmless.

SEC. 4. Section 11.e. of the Atomic Energy Act of 1954, as amended is amended to read as follows:

"e. The term 'byproduct material' means (1) any radioactive material (except special nuclear material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material, and (2) the naturally occurring daughters of uranium and thorium found in the tailings or wastes produced by the extraction or concentration of uranium or thorium from source material as defined in section 11z.(2) of this Act.".

SEC. 5. Section 161. of the Atomic Energy Act of 1954, as amended, is amended by adding a new subsection x at the end thereof to read as follows:

"x. establish by rule, regulation, or order such standards and instructions as the Commission may deem necessary or desirable to insure that funds will be made available by a licensee to permit the completion of all requirements established by the Commission for the decommissioning, decontamination, and reclamation and long term care if necessary of sites, structures, and equipment used in conjunction with activities or materials licensed under this Act.".

SEC. 6. Section 274.b. of the Atomic Energy Act of 1954, as amended, is amended by adding "as defined in section 11.e.(1) of this Act" after the words "byproduct materials" in paragraph (1); by adding a new paragraph (2) to read as follows: "(2) byproduct materials as defined in section 11.e.(2) of this Act."; and by renumbering existing paragraphs (2) and (3) accordingly.

SEC. 7. Section 274.d.(2) of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"(2) the Commission finds that the State program is in accord with subsection o. of this section and is in all other respects compatible with the Commission's program for the regulation of the materials covered by the proposed agreement, and that the State program is adequate to protect the public health and safety with respect to such materials."

SEC. 8. Section 274j. of the Atomic Energy Act of 1954, as amended, is amended by inserting after the words "with the State" the following: ", or that part of an agreement respecting any of the materials enumerated in subsection b. of this section,".

SEC. 9. (a) Section 274. of the Atomic Energy Act of 1954, as amended, is further amended by adding at the end thereof the following new subsection:

"6. In the licensing and regulation of low level radioactive wastes, byproduct material defined in section 11.e.(2) of this Act, and decommissioned facilities pursuant to an agreement entered into in accordance with subsection b. of this section, a State shall adopt and enforce substantive standards for the protection of the public health and safety which are at least equivalent to standards adopted and enforced by the Commission for the same purpose. The Commission standards for byproduct material defined in section 11.e.(2) of this Act may specify disposal thereof only on land owned by the State or by the United States.".

(b) The Commission shall promulgate the minimum standards referred to in subsection (a) of this section with two years of the date of enactment of the Nuclear Waste Regulation Act of 1978, and shall not commence proceedings pursuant to section 274.j. of the Atomic Energy Act of 1954, as amended, to terminate an agreement for lack of standards at lease equivalent thereto earlier than eighteen months after such promulgation.

SEC. 1C. In addition to any requirement imposed pursuant to the National Environmental Policy Act of 1969, as amended, each license application for a facility for the storage or disposal of low or high level radioactive wastes, irradiated nuclear reactor fuel, or nonhigh level transuranium contaminated wastes, shall identify alternative sites for such facility. The applicant shall provide such data as is deemed sufficient by the Commission for each such site. Except as may be required by the provisions of the National Environmental Policy Act of 1969, as amended, the Commission is authorized to waive the requirement of alternative site identification for license applications of the type described in this subsection if the subject facility is intended to demonstrate the existence of a safe and practical technology for permanent storage.

(b) The Commission shall develop criteria and procedures for the evaluation of the alternative sites identified pursuant to subsection (a) of this section within eighteen months of the date of enactment of this section.

SEC. 11. (a) The Commission is authorized and directed to undertake a comprehensive investigation and study of the technology for the disposal and storage of high level radioactive wastes, irradiated nuclear reactor fuel and nonhigh level transuranium contaminated wastes, and of the current program for the regulation of such wastes. The Commission shall report to the Congress and the public on the findings and results of such study within two years of the date of enactment of this section.

(b) Such report shall include specific findings on the following:

(1) Whether there is reasonable assurance that a theoretically and practically sound method and plan exist for the safe and timely containment of the wastes described in subsection (a) of this section which are produced by nuclear power reactors (including decommissioning wastes) and reprocessing facilities; and

(2) Whether adequate and reliable information is available to make the finding required by paragraph (1).

(c) In light of the study required by subsection (a) of this section and the specific finding required by subsection (b)(1), the Commission shall take such action as is necessary to assure the protection of the public health and safety and of the environment. In the event that the Commission makes a negative determination pursuant to sub-

section (b)(2) of this section, it shall design a plan to generate such information and report thereon to the Congress within six months of the date of such negative determination, and shall take whatever action is necessary to protect the public health and safety until such information is generated.●

By Mr. DOLE:

S. 3147. A bill to prohibit the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

PROHIBITION OF TAX REGULATIONS OF FRINGE BENEFITS

● Mr. DOLE. Mr. President, the Internal Revenue Service is preparing to issue new regulations that could affect the tax liability of every American. This unilateral action on the part of the IRS is unwarranted and should be stopped until Congress can appropriately review this matter.

FRINGE BENEFITS

Mr. President, I send to the desk legislation which would prohibit the issuing of Treasury regulations on the taxation of fringe benefits.

According to IRS Commissioner Jerome Kurtz, the IRS is empowered to begin taxation of fringe benefits and IRS officials are preparing to act on their own, without seeking legislation from Congress.

CONGRESSIONAL RESPONSIBILITY

Although the use of fringe benefits has increased in recent years, few comprehensive or generally applicable income tax rules have been developed. As a result, there has been an inevitable nonconformity of treatment of taxpayers who receive different types of benefits although the benefits may have approximately the same economic value. Although I recognize that the Internal Revenue Service is reexamining the treatment of fringe benefits in accordance with its obligations to enforce the tax laws, the Senator from Kansas believes that it is primarily the responsibility of the Congress to legislate uniform and equitable tax laws.

MORATORIUM

Mr. President, on May 11 the Senate passed H.R. 9251, the Tax Extension Act. That bill contained a provision similar to the bill which I introduced today. Section 3 of H.R. 9251 would prohibit the IRS from issuing regulations providing for the inclusion of any fringe benefit in gross income before July 1, 1978. I supported that measure and now believe that it is in the American taxpayer's best interest to provide a further extension.

Mr. President, earlier this week the House Appropriations Committee approved by a voice vote an amendment to the Treasury appropriations bill that would bar the Treasury Department from using money in the bill to issue or administer regulations providing the taxation of fringe benefits. I believe that proposal is meritorious and should also be included in the Senate appropriations bill. If the Senate Appropriations Committee does not act in this matter, I intend to propose a similar amendment on the Senate floor.

Mr. President, the taxation of fringe benefits is a major issue. I would hope that we could all work together to resolve this issue rather than adopt a vindictive and punitive attitude toward the American working people.

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

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

S. 3147

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, No regulation shall be issued in final form on or after July 1, 1978, and before July 1, 1979, providing for the inclusion of any fringe benefit in gross income by reason of Section 61 of the Internal Revenue Code of 1954.●

By Mr. MOYNIHAN:

S. 3148. A bill to amend title XX of the Social Security Act to provide for an expanded social services program, to promote consultation and cooperative efforts among States, localities, and other local public and private agencies to coordinate services, to extend certain provisions of Public Law 94–401, and for other purposes; to the Committee on Finance.

SOCIAL SERVICES AMENDMENTS OF 1978

● Mr. MOYNIHAN. Mr. President, on behalf of the Carter administration, I am today introducing a bill to amend, increase and improve the major Federal social services program authorized by title XX of the Social Security Act. This is an integral part of the President's urban policy as set forth in his March 27, 1978 message to the Congress. At that time, he announced his intention to "propose an additional $150 million of new budget authority for the title XX program. These funds will be used to improve the delivery of social services in urban areas—ranging from Meals on Wheels for the elderly to day care for children of working mothers—and to develop greater coordination between local, public and private agencies."

I support these goals, both as part of a comprehensive urban strategy and in their own right, and am therefore pleased to sponsor a bill which marks the beginning of the Senate legislative process by which the administration's proposed implementation of these goals will be considered. The title of XX program is an appropriate example of the "New Partnership" that the President seeks among the several levels of Government and the private sector with a shared interest in improving our urban condition.

The bill before us would increase the ceiling for title XX by $150 million, marking the first increase in Federal social services spending since the establishment of a ceiling in 1972. Had that ceiling risen at the rate of the consumer price index since 1972, today Federal social services funds would exceed $3.6 billion. These figures alone indicate that it is time to look again at social services spending. The President's proposal creates an occasion and an opportunity to do so.

The bill also contains some useful modifications to the title XX program. These are clearly explained in a transmittal letter from Secretary Califano to Vice President MONDALE and in an HEW news release, dated May 19, and I ask unanimous consent that both be included in the RECORD at the conclusion of these remarks.

I would take this opportunity to note that the Congress is presently considering several proposals to modify and expand title XX. For example, Senators GRAVEL, DOLE, HUMPHREY, MATSUNAGA, and RIEGLE propose to accomplish these purposes by amending pending legislation. As we consider all the available alternatives, I am confident that any measure we finally adopt will share the objectives of the bill which I am introducing for the administration.

As Chairman of the Subcommittee on Public Assistance, I have a particular interest in, and indeed, some responsibility for title XX of the Social Security Act. As Senator from New York, however, I must acknowledge a certain ambivalence toward any program which employs a formula that causes the people of my State to pay more in taxes than they receive in benefits. Without taking the least exception to the worthy purposes of the program, I have to utter a word of caution. New York taxpayers will supply about $12.50 of every $100 in added title XX spending under the current formula while the beneficiaries of title XX services in New York will receive just $8.57 of the added outlays. Perhaps sometime in the near future the administration and the Congress will have another look at the formula.

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

DEPARTMENT OF HEALTH,
EDUCATION AND WELFARE,
May 18, 1978.

HON. WALTER F. MONDALE,
President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress, is a draft bill "To amend title XX of the Social Security Act to provide for an expanded social services program, to promote consultation and cooperative efforts among States, localities, and other local public and private agencies to coordinate services, to extend certain provisions of P.L. 94–401, and for other purposes."

This proposal is one of a number of Administration proposals which would implement the President's intent, as expressed in his statement of March 27, 1978, to establish a comprehensive national urban policy. The proposal is designed to enable State governments to provide additional needed social services to the most hard-pressed communities, and to give local governments a greater role in the planning for and determination of the use of social services funds in the community.

Title I of the draft bill will strengthen and focus title XX in essentially three ways. First, it will increase the current social services ceiling by $150 million for fiscal years 1979 through 1982, thus enabling States to expand services to meet their most pressing needs. Because title XX is, in its entirety, a program to meet special needs for social services, the additional funds will be allocated to the States and the District of Columbia on the same formula as other title

XX funds, and may be used for the same purposes.

Second, it will require State officials to consult with the chief elected officials of cities, counties, and other units of general purpose government within the State, during the development of the State's proposed comprehensive services plan. The views of these local officials will thereafter be summarized in the proposed plan.

Third, the bill will encourage States to enhance the services provided under title XX in political subdivisions of the State having a special need for those services. If a State determines that there are such special need areas, it will identify them in its comprehensive services plan.

In addition to these changes, title I of the bill will require the comprehensive services plan to set forth the criteria used by the State to determine the nature and amount of services to be provided in each area of the State. This amendment will aid a forthcoming administrative initiative of the Department to improve State reporting on the services provided by the State under title XX, to assure that the public will be informed at least annually as to the State's progress in implementing its plan.

Finally, in order to allow a State to engage in longterm planning for the provision of social services, the bill will permit a State to adopt a comprehensive services plan for a period of up to three years, in lieu of the present limitation of one year.

Title II of the draft bill would extend certain provisions of P.L. 94–401.

Specifically, it would extend for one additional year, through fiscal year 1979, the provisions of P.L. 94–401 which provide $200 million for allotment to States for services under title XX of the Social Security Act, in addition to the $2.5 billion currently authorized to be allotted under that title. These extensions are included in the President's fiscal year 1979 budget. The section would also extend for one additional year other provisions of P.L. 94–401 applicable to the $200 million, and related provisions pertaining to the provision of day care under title XX. These include the requirement that States spend for day care under title XX an amount equal to its additional allotment under P.L. 94–401 in order to be entitled to that additional allotment; the option to use an amount equal to the additional allotment for day care without having to match those funds with funds from nonfederal sources; and the authority for the State agency to continue to waive certain day care staffing standards.

Section 201 of the draft bill would also make permanent the temporary provision of law in P.L. 94–401 which permits title XX funds to be used to cover, for up to seven days, medical or remedial care and room and board associated with the initial detoxification of alcoholics and drug addicts.

Title III of the bill would make miscellaneous changes to title XX. Section 301 would permit States to use funds allotted under title XX of the Social Security Act to provide emergency shelter, for not in excess of thirty days in any six month period, to adults in danger of physical or mental injury, neglect, maltreatment, or exploitation. Currently, title XX covers emergency shelter for children only.

Section 302 would authorize a separate appropriation of $16.1 million for social services in Puerto Rico, Guam, the Northern Marianas, and the Virgin Islands. Currently, title XX provides that Puerto Rico, Guam, and the Virgin Islands may be paid an aggregate amount of $16 million each year only after all States have certified to the Secretary the sums they will each claim under title XX for social services and the Secretary determines that there will be funds remaining for the territories; no provision is made in current law for the Northern Marianas. This is an inefficient procedure, because States are slow to make their certification. It will also become inadequate once States claim their full entitlement under title XX because there will then be no funds available for the territories.

We urge the Congress to give prompt and favorable consideration to this draft bill.

We are advised by the Office of Management and Budget that enactment of this draft bill would be in accord with the program of the President.

Sincerely,

JOSEPH A. CALIFANO,
Secretary.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
May 19, 1978.

HEW Secretary Joseph A. Califano, Jr., sent legislation to Congress today that would help States expand social services programs for people living in their most hard-pressed communities.

This bill is part of the President's comprehensive national urban policy. It is one of several HEW urban initiatives and would amend Title XX of the Social Security Act. The Administration's policy, enunciated on March 27 of this year, aims to improve the quality of life for people living in cities by proposing new initiatives and improving the performance of existing programs in the areas of fiscal assistance, employment and economic development, housing, health, education, recreation and citizen involvement.

The bill is designed to further the Federal-State-local partnership that is an integral part of the policy. The bill would add $150 million a year for fiscal years 1979 through 1982 to the current annual authorization of $2.5 billion under Title XX. The increase would help State governments expand social service activities to meet special needs in their communities. Local governments would have a larger role in planning for the use of these funds since State agencies would have to involve the chief elected officials of cities, counties and other localities in development of social service plans.

In addition, the bill would extend some Title XX provisions passed in 1976 (Public Law 94–401) that govern how much States spend on child day care and permit them to waive certain day care staffing standards. The new bill would give States permanent permission to use Title XX funds to pay for expenses connected with the initial treatment of alcoholics and drug addicts. It would also extend to adults the emergency shelter services currently provided to children.

The bill would guarantee for the first time that Puerto Rico, Guam, the Northern Marianas and the Virgin Islands get Title XX funds each year. Under current law, Puerto Rico, Guam and the Virgin Islands are entitled to a maximum of $16 million only if money is left over after the States and the District of Columbia make their claims. Currently the Northern Marianas are not entitled to any Title XX funds.●

By Mr. MOYNIHAN (for himself and Mr. JAVITS):

S. 3149. A bill to amend the Internal Revenue Code with respect to loan guarantees for the assistance of the city of New York; to the Committee on Finance.

S. 3150. A bill to amend the Internal Revenue Code with respect to financial assistance for the city of New York; to the Committee on Finance.

NEW YORK CITY

● Mr. MOYNIHAN. Mr. President, the legislation needed to prevent the bankruptcy of the city of New York and to permit the city to restore fiscal stability must come before two committees of the Senate: the Banking and Finance Committees.

On April 12, Senator JAVITS and I introduced S. 2892, the loan guarantee bill which had been proposed by the Carter administration. On May 11, we introduced S. 3061, the loan guarantee and seasonal financing bill which has been reported out by the House Banking Committee, and which is often referred to as the "Moorhead Bill" after Representative WILLIAM MOORHEAD of Pennsylvania, a leading supporter and chairman of the Economic Stabilization Subcommittee of the House Banking Committee. Both these bills contain, in addition to their main provisions which authorize Federal loan guarantees to New York City, various changes in the Internal Revenue Code. Of these, the most significant is the provision making interest income from any federally guaranteed New York City bonds subject to Federal income tax.

These bills were not referred to the Senate Finance Committee, but any New York City loan guarantee bill containing revisions of the Internal Revenue Code will require its approval. To put the relevant revisions before the Finance Committee as quickly as possible, I am today, for myself and Senator JAVITS, introducing, as separate bills, title II of S. 2892 and title II of S. 3061. These two bills will be referred to the Finance Committee, and the committee will then have before it the tax aspects of the New York City loan proposals. It is my hope, and that of Senator JAVITS, that the Committee will proceed promptly to hold any hearings that may be necessary and then to mark up this legislation, which is essential to New York's return to fiscal stability.

I ask unanimous consent that the text of both bills be printed in the RECORD.

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

S. 3149

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

SECTION 1. TAX TREATMENT OF CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.

(a) Certain Federally Guaranteed Obligations.—Section 103 of the Internal Revenue Code of 1954 (interest on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Certain Federally Guaranteed Obligations.—If payment of any principal or interest on an obligation is guaranteed by the United States under the New York City Loan Guarantee Act of 1978, then the obligation shall be treated as not described in subsection (a).".

(b) Lapse of Guarantee.—Section 1058 (cross references) is redesignated as section 1059, and the following new section is inserted immediately after section 1057:

"SEC. 1058. LAPSE OF CERTAIN FEDERAL GUARANTEES.

"The following rules apply on the lapse of a guarantee under the New York City Loan Guarantee Act of 1978:

"(a) For all purposes of this subtitle, has guaranteed obligation shall be treated as surrendered in exchange for a newly issued obligation described in section 103(a).

"(b) For purposes of determining the amount of gain or loss recognized on such exchange, the fair market value of the obligation (immediately after the guarantee lapses) shall be determined by the Secretary.".

(c) Character of Certain Federally Guaranteed Obligations.—Section 1221 (capital asset defined) is amended by striking "or" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; or" in lieu thereof, and by inserting after paragraph (6) the following new paragraph:

"(7) Obligations guaranteed under the New York City Guarantee Loan Act of 1978.".

(d) Conforming Amendment.—The table of sections for part IV of subchapter O of chapter 1 is amended by deleting the last item and inserting in lieu thereof the following new items:

"SEC. 1058. Lapse of certain Federal guarantees.

"SEC. 1059. Cross references."

(e) Effective Date.—The amendments made by subsections (a), (b), (c), and (d) shall apply to taxable years ending after the date of the enactment of this Act.

S. 3150

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

SECTION 1. TAXABILITY OF CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.

(a) Certain Federally Guaranteed Obligations.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) Certain Federally Guaranteed Obligations.—Any obligation—

"(1) which is issued after the date of the enactment of this subsection, and

"(2) the payment of interest or principal (or both) of which is guaranteed in whole or in part under title I of the New York City Financial Assistance Act of 1978 (as in effect on the date of the enactment of this subsection), shall be treated as an obligation not described in subsection (a)."

(b) Effective Date.—The amendments made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.●

By Mr. CANNON (for himself, Mr. INOUYE, and Mr. PEARSON) (by request):

S. 3152. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 30, 1984; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, I introduce today, at the request of the Secretary of Commerce, and on behalf of myself and my colleagues, Mr. INOUYE and Mr. PEARSON, a bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 30, 1984.

I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

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

S. 3152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1214 of title XII of the Merchant Marine Act, 1936 (46 U.S.C. 1294), is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1984".

THE SECRETARY OF COMMERCE,
Washington, D.C., May 3, 1978.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "To extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional five years, ending September 30, 1984," together with a statement of purpose and need in support thereof.

The Department has determined that this proposed legislation does not constitute a major proposal requiring preparation of an Economic Impact Statement under Executive Orders 11821 and 11949, and OMB Circular A–107.

We have been advised by the Office of Management and Budget that there would be no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress.

Sincerely,

JUANITA M. KREPS.

STATEMENT OF THE PURPOSES AND NEED OF THE DRAFT BILL "TO EXTEND THE PROVISIONS OF TITLE XII OF THE MERCHANT MARINE ACT, 1936, RELATING TO WAR RISK INSURANCE, FOR AN ADDITIONAL 5 YEARS, ENDING SEPTEMBER 30, 1984."

The draft bill would extend the life of title XII of the Merchant Marine Act, 1936 (46 U.S.C. 1281–1294), for an additional five years. Section 1214 of the Act, pursuant to amendment by P.L. 94–523 (90 Stat. 2474), now provides that the authority under that title shall expire on September 30, 1979.

Title XII authorizes the Secretary of Commerce (Secretary), with the approval of the President, to provide insurance against loss or damage by war risks with respect to vessels, cargoes, crew life and personal effects, and liabilities related to ownership or operation of the vessels, when commercial insurance cannot be obtained on reasonable terms and conditions. The purpose of title XII is to maintain the flow of the U.S. waterborne commerce, including the maintenance of essential transportation services for the Department of Defense. War risk insurance was provided by the Government in both World War I and World War II, and proved effective in protecting the civilian and military commerce of the United States, with total premium receipts in excess of losses paid.

Title XII of the Merchant Marine Act, 1936, was enacted with the outbreak of the Korean War in 1950. It was temporary legislation that expired in five years. Past extensions of the title XII authority had been for five year periods, expiring on September 7 of each fifth year. The last extension was for three years, terminating on the date corresponding to the end of the new fiscal year established by the Congressional Budget and Impoundment Control Act of 1974.

War risk protection has been provided through the issuance, for a fee, of interim binders under which Government war risk insurance terminates under the automatic termination clauses in the commercial policies. These clauses provide that such insurance will terminate immediately upon (a) the outbreak of war (whether there is a declaration of war or not) between any of the following countries: the United States of America, the United Kingdom, France, the Union of Soviet Socialist Republics, and the Peoples Republic of China; or (b) the occurrence of any hostile detonation of any nuclear weapon of war, whether or not the covered vessel is involved. Our binders give back-to-back coverage with the commercial policies. The war risk insurance coverage under the binders ends 30 days after it attaches. At that time, the premiums for coverage during that period would be fixed retroactively, and terms for the continuation of war risk insurance coverage for the ensuing period would be determined on the basis of the circumstances existing at that time.

Section 1203(a) of the 1936 Act authorizes the Secretary to provide insurance not only to American vessels, but also to "foreign-flag vessels owned by citizens of the United States or engaged in transportation in the waterborne commerce of the United States or in such other transportation by water or such other services as may be deemed by the Secretary to be in the interest of the national defense or the national economy of the United States when so engaged." Public Law 94–523 (90 Stat. 2474), which reinstated the authority of the Secretary to issue war risk insurance until September 30, 1979, also amended this section to require that the Secretary consider specified general criteria in determining whether to issue war risk insurance to foreign-flag vessels. It provided further that all American and foreign-flag vessels with such insurance coverage shall be subject to vessel location reporting requirements as the Secretary may establish by regulation.

The Maritime Administration has developed proposed criteria for eligibility of foreign-flag vessels, including types, tonnages, speed, and age. These criteria will be set forth in regulations to be published in the Federal Register in proposed form early in 1978, which regulations will also include vessel location reporting requirements.●

By Mr. PELL (for himself and Mr. CHAFEE):

S. 3153. A bill to settle Indian land claims within the State of Rhode Island and Providence Plantations, and for other purposes; to the Select Committee on Indian Affairs.

RHODE ISLAND INDIAN CLAIMS SETTLEMENT ACT

● Mr. PELL. Mr. President, today I am introducing a bill to settle Indian land claims within the State of Rhode Island.

This bill represents the first major resolution in the 14 Indian land claim suits filed in Eastern States in recent years. The bill represents a consensus negotiated settlement arrived at by Narragansett Indians, State officials, and private landowners. It is a constructive approach to resolve the competing interests of the Narragansetts, the State, and the private defendants.

In January 1975, the Narragansett Indians filed two suits in the U.S. District Court for the District of Rhode Island, seeking possession of almost 3,500 acres in Charlestown, R.I. This claim, like others filed by the Passamaquoddy and Penobscot Indians in Maine and the Mashpees in Massachusetts, arose under the Trade and Intercourse Act of 1790, commonly referred to as the Nonintercourse Act.

The Nonintercourse Act in essence requires approval by Congress of transfers of lands by an Indian tribe. The Narragansett Indians, in actions filed against private landowners, and the Rhode Island Department of Environmental Management, asserted that they held aboriginal title to the lands in Charlestown since time immemorial, and that these lands had been obtained in violation of the 1790 act.

The pending court actions based on the Narragansett tribal claim has had the unfortunate effect of causing economic stagnation within Charlestown, R.I., the site of the claim.

This claim has created a cloud on the validity of the real property titles of the approximately 30 private defendants directly affected by the litigation. As a result, these private defendants have been unable to sell, mortgage, or develop the lands. Title insurance for the affected properties has become unavailable and bond issues for the town of Charlestown were jeopardized. Unless a congressional resolution of the pending land claims occurs, private land titles in Charlestown, R.I., will remain clouded for the 5 to 7 years that the full travel of the litigation will require.

During the 3 years of litigation thus far, the private defendants have borne the overwhelming financial burden of defending a major lawsuit. None of these defendants have the economic ability to support the expense of this litigation. Two of the defendants, the Providence Boys' Club and the Greater Providence Young Men's Christian Association, which are major charitable organizations in Rhode Island, have seen their economic future threatened because of this litigation.

In addition to the hardships faced by the defendants named in the suits, substantial numbers of nondefendants owning lands in Charlestown are affected because of the inability to define precisely what portion of the town was possessed by the Narragansetts in 1790. As a result, a cloud has been created on land titles in virtually all of Charlestown because of the possibility that additional suits may be filed by the Narragansett Indians.

On February 28, 1978, the parties to the litigation in Rhode Island, along with Gov. J. Joseph Garrahy and the Charlestown Town Council, signed a settlement agreement that provides for the contribution of approximately 900 acres of land by the State of Rhode Island to a State-chartered corporation to be established to hold the land in trust, and for the acquisition of an additional 900 acres of land from private landowners who are willing to sell their lands at fair market prices. The funds to acquire the privately held land are to be provided by the Federal Government through the legislation I am introducing today.

This bill establishes in the U.S. Treasury a fund to be known as the Rhode Island Indian Claims Settlement Fund. This bill authorizes the payment of $3.5 million to a State-chartered corporation—the majority of whose directors will be chosen by the Narragansett Indians—for the purchase by the State corporation of the property of private landowners who are willing to sell their land.

The State corporation will hold the settlement lands in trust for the benefit of the Narragansett Indians. No funds will actually be paid to the State corporation until the Department of the Interior makes a finding that the Narragansett claim is a credible one and until the State legislature passes appropriate legislation authorizing the conveyance of its 900-acre settlement contribution to the State corporation. Should the State corporation acquire the private settlement lands for a total sum less than $3.5 million, the surplus funds shall be returned to the Treasury.

Additionally, the bill authorizes the payment of $262,500 to private landowners selling their land, payable in the event the actual conveyances do not take place within 9 months after the signing of agreements giving the State corporation the option to purchase settlement lands.

The measure I offer today, Mr. President, will resolve the uncertainty created for all the parties by the Narragansett tribal claim in Rhode Island, without waiting 5 to 7 years before the Supreme Court will have the opportunity to lay the controversy to rest. I stress that all the affected parties—the Narragansett Indians, the State, and the private landowners—are in support of this bill, as are the other members of the Rhode Island congressional delegation. The White House, the Department of the Interior, and the appropriate committee counsel in the House and Senate have been involved in the drafting of this legislation, along with the parties. Without congressional resolution of the Narragansett Indian land claims, the hardships to the private landowners and the town of Charlestown, R.I. will continue and multiply until the litigation is finally ended.

At the same time, Mr. President, it is appropriate that we ratify a fair settlement which will satisfy the historic grievances of the Narragansett Indians. The State corporation which will be created under this bill will provide a resurgence of culture and pride for the Narragansetts. The State corporation will begin a new era of self-respect and self-sufficiency for the Narragansett Indians, in addition to providing a vehicle for their rich history and culture to be shared with all Rhode Islanders.

I hope that prompt action will be taken on this bill so that the settlement of the Narragansett Indian claim can be implemented without undue delay and further hardship.

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

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

S. 3153

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rhode Island Indian Claims Settlement Act."

CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

SEC. 2. Congress finds and declares that—

(1) there are pending before the United States District Court for the District of Rhode Island two consolidated actions, entitled *Narragansett Tribe of Indians* v. *Southern Rhode Island Land Development Co., et al.* C.A. No. 75–0006 (D.R.I.) and *Narragansett Tribe of Indians* v. *Rhode Island Director of Environmental Management* C.A. No. 75–0005 (D.R.I.), that involve Indian claims to certain public and private lands within the Town of Charlestown, Rhode Island;

(2) the pendency of these lawsuits has resulted in severe economic hardships for the residents of the Town of Charlestown by clouding the titles to much of the land in the Town, including lands not involved in the lawsuits;

(3) the Congress shares with the State of Rhode Island and the parties to the lawsuits a desire to remove all clouds on titles resulting from such Indian land claims within the State of Rhode Island; and

(4) the parties to the lawsuits and others interested in the settlement of Indian land claims within the State of Rhode Island have executed a Settlement Agreement that requires certain implementing legislation to be enacted by Congress and the State of Rhode Island as a condition to its effectiveness.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(a) "Fund" means the Rhode Island Indian Claims Settlement Fund established under section 5 of this Act;

(b) "Indian Corporation" means the Rhode Island Non-Business corporation known as "the Narragansett Tribe of Indians;"

(c) "lawsuits" means the actions entitled *Narragansett Tribe of Indians* v. *Southern Rhode Island Land Development Co., et al.,* C.A. No. 75–0006 (D.R.I.) and *Narragansett Tribe of Indians* v. *Rhode Island Director of Environmental Management,* C.A. No. 75–0005 (D.R.I.)

(d) "Option Agreements" means the agreements entered into or to be entered into pursuant to section 3 of the Settlement Agreement between the State Corporation (or in the event the State Corporation has not yet been created, with a designee of the Governor of Rhode Island) and the defendants in the lawsuits under which the State Corporation will have an option to purchase the private settlement lands;

(e) "private settlement lands" means those lands that are to be acquired by the State Corporation from the private defendants in the lawsuits pursuant to section 3 of the Settlement Agreement;

(f) "public settlement lands" means those lands that are to be conveyed by the State of Rhode Island to the State Corporation pursuant to section 2 of the Settlement Agreement;

(g) "Secretary" means the Secretary of the Interior or his designee;

(h) "Settlement Agreement" means the document entitled "JOINT MEMORANDUM OF UNDERSTANDING CONCERNING SETTLEMENT OF THE RHODE ISLAND INDIAN LAND CLAIMS" executed as of February 28, 1978, by representatives of the State, of the Town of Charlestown, and of parties to the lawsuits;

(i) "settlement lands" means those lands defined in subsections (e) and (f) of this section; and

(j) "State Corporation" means the corporation created or to be created by legislation enacted by the State of Rhode Island pursuant to section 1 of the Settlement Agreement for the purpose of acquiring and holding the settlement lands.

RATIFICATION OF PRIOR LAND AND WATER CONVEYANCES AND EXTINGUISHMENT OF ABORIGINAL TITLE

SEC. 4. (a) Any transfer of lands or waters located within the United States from, by or on behalf of the Indian Corporation, or any other entity known as or claiming to be the Narragansett Tribe of Indians, or any predecessor in interest, member, or stockholder thereof, including but not limited to a transfer pursuant to any statute of any state, was and shall be deemed to have been made in accordance with the Constitution and all laws of the United States that are specifically applicable to transfers of lands or waters from, by or on behalf of any Indian, Indian nation or tribe of Indians (including but not limited to the Trade and Intercourse Act of 1970, Ch. 33, § 4, 1 Stat. 138, and all amendments thereto and all subsequent versions thereof), and Congress does hereby approve and ratify any such transfer effective as of the date of the said transfer.

(b) To the extent that any transfer of lands or waters described in subsection (a)

may involve lands or waters to which the Indian Corporation, or any other entity known as or claiming to be the Narragansett Tribe of Indians, or any predecessor in interest, member, or stockholder thereof, had aboriginal title, subsection (a) shall be regarded as an extinguishment of such aboriginal title as of the date of said transfer.

(c) By virtue of the approval and ratification of a transfer of lands or waters effected by subsection (a) or an extinguishment of aboriginal title effected thereby, all claims against the United States, any state or subdivision thereof, or any other person or entity, by the Indian Corporation, or any other entity known as or claiming to be the Narragansett Tribe of Indians, or any predecessor in interest, member or stockholder thereof, including but not limited to claims for trespass damages or claims for use or occupancy, arising subsequent to the transfer and that are based upon any interest in or right involving such lands or waters, shall be regarded as extinguished as of the date of the transfer.

(d)(1) Any and all other claims involving or in any way relating to lands or waters within the State of Rhode Island of any Indian, Indian nation or tribe of Indians, arising prior to the date of enactment of this Act under the Constitution or laws of the United States that are specifically applicable to transfers of lands or waters from, by or on behalf of any Indian, Indian nation or tribe of Indians (including but not limited to the Trade and Intercourse Act of 1790, Ch. 33, § 4, 1 Stat. 138, and all amendments thereto and all subsequent versions thereof), shall be barred unless filed in a court of competent jurisdiction within one hundred eighty (180) days of the date of enactment of this Act.

(8) Any Indian, Indian nation or tribe of Indians asserting a claim involving or in any way relating to lands or waters located within the limits of the town of Charlestown, Rhode Island, shall be limited to asserting such claim exclusively against the Indian Corporation, and such Indian, Indian nation or tribe of Indians shall be barred from bringing any suit involving such claim against any other person or entity.

(e) As used in this section, the phrase "lands or waters" shall include any interest in or right involving lands or waters, and the term "transfer" shall include but not be limited to any sale, grant, lease, allotment, partition, conveyance, or any transaction the purpose of which was to effect a sale, grant, lease, allotment, partition or conveyance, or any event or events that resulted in a change in possession or control of lands or waters.

RHODE ISLAND INDIAN CLAIMS SETTLEMENT FUND

SEC. 5. There is hereby established in the United States Treasury a fund to be known as the Rhode Island Indian Claims Settlement Fund into which the following monies shall be deposited following the appropriation authorized by section 15 of this Act:

(a) $3,500,000, which shall be distributed to the State Corporation in accordance with the provisions of section 7 of this Act;

(b) $262,500, which shall be distributed to certain private defendants in the lawsuits in accordance with the provisions of section 6 of this Act; and

(c) $80,077.84, which shall be distributed pursuant to the provisions of section 13 of this Act.

OPTION AGREEMENTS TO PURCHASE PRIVATE SETTLEMENT LAND

SEC. 6. (a) Each private defendant in the lawsuits who has entered or who subsequently enters into a two-year Option Agreement with the State Corporation (or in the event the State Corporation has not yet been created, with a designee of the Governor of Rhode Island) to convey his portion of the private settlement lands to the State Corporation shall, subject to the limitations of subsection (b), be paid an option fee from the Fund equal to 5 per centum of the purchase price agreed upon in each Option Agreement: *Provided, however,* That the total option fees paid to all such defendants shall not exceed $175,000.

(b) The payment of option fees authorized by subsection (a) shall be subject to the following conditions:

(i) the option fees shall not be paid from the Fund until immediately prior to the expiration of ninety days from the date of passage of this Act;

(ii) the option fee for each Option Agreement shall be applied to the agreed purchase price in each Option Agreement if the land transfer contemplated by each Option Agreement is completed and the full purchase price paid on or before the expiration of two hundred and seventy days from the date of each respective Option Agreement;

(iii) the option fee for each Option Agreement shall be retained by the party granting the option and not applied to the purchase price if the land transfer contemplated by each Option Agreement is not completed and the full purchase price paid on or before the expiration of two hundred and seventy days from the date of each respective Option Agreement; and

(iv) if, for any reason, the option fee called for by each respective Option Agreement is not paid as set forth in paragraph (i), above, the party granting the Option shall have the right to terminate his obligations under the Option Agreement, and if such right is exercised, such Option Agreement shall thereafter be unenforceable against any party thereto.

(c) If the requirements set forth in section 8 of this Act have not been satisfied at the expiration of the term of any Option Agreement, the State Corporation may elect to extend any such Option Agreement then in effect for an additional period of one year. A non-refundable extension fee equal to 2½ per centum of the agreed upon purchase price shall be paid from the Fund to any defendant whose Option Agreement is extended for such additional period: *Provided, however,* That such extension fee shall not be applied toward the purchase price and that the total extension fees paid to all defendants shall not exceed $87,500.

(d) To the extent that any portion of the $262,500 authorized by section 5(b) of this Act for the payment of option and extension fees is not utilized for the purposes set forth herein, the excess shall be returned to the general Treasury of the United States.

SETTLEMENT LANDS

SEC. 7. Upon satisfaction of all of the conditions set forth in section 8 of this Act, the sum of $3,500,000 (minus any option fees paid and credited against the purchase price pursuant to the provisions of sections 6(b)(ii) and (iii) of the Act) shall be paid to the State Corporation from the Fund for the purchase by the State Corporation of the private settlement lands and for the reasonable costs of acquisition incurred by the State Corporation in connection with the purchase of private settlement lands. If such private settlement lands are acquired for a total amount less than $3,500,000, the State Corporation shall return any such remaining monies to the general Treasury of the United States.

CONDITIONS PRECEDENT TO THE DISTRIBUTION OF CERTAIN FUNDS

SEC. 8. No monevs shall be distributed from the Fund to the State Corporation pursuant to section 7 of this Act until the Secretary has determined:

(a) that the State of Rhode Island has enacted legislation in implementation of all of the obligations it has undertaken in the Settlement Agreement;

(b) that the Council of the Town of Charlestown and the State Corporation have accepted the land use plan contemplated by section 14 of the Settlement Agreement; and

(c) that within sixty (60) days of the date of enactment of this Act, and in accordance with standards established by the Secretary for this purpose, the plaintiff in the lawsuits has a credible claim to the lands subject to the lawsuits, including a determination that the plaintiff has a credible claim to status as an "Indian nation or tribe of Indians" within the meaning of the Indian Nonintercourse Act (R.S. § 2116) at all revelant periods of time, including the present. In the event that the Secretary determines that the plaintiff in the lawsuits does not have a credible claim to the lands subject to the lawsuits, the determination of the Secretary shall be subject to judicial review in the federal district court for the State of Rhode Island or the District of Columbia pursuant to 5 U.S.C. § 702. The reviewing court shall set aside any such determination only if it is found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. If it is ultimately determined in a final, non-appealable order of a court of competent jurisdiction that the plaintiff in the lawsuits does have a credible claim to the lands subject to the lawsuits, or if the Secretary shall make such a determination after remand by the reviewing court, such order or determination shall have the same effect as if the Secretary had initially made the determination that the plaintiff in the lawsuits has a credible claim to the lands subject to the lawsuits.

RESTRICTION ON ALIENATION

SEC. 9. No lands acquired by the State Corporation under the Settlement Agreement may be sold, granted, leased or otherwise conveyed, nor shall any such sale, grant, lease or conveyance be of any validity in law or equity, unless the same is approved by the Secretary or his designee and the Governor of the State of Rhode Island: *Provided, however,* that nothing in this Act shall affect or otherwise impair the ability of the State Corporation to grant or otherwise convey (including any involuntary conveyance by means of eminent domain or condemnation proceedings) any easement for public or private purposes pursuant to the laws of the State of Rhode Island.

EXEMPTION FROM TAXATION

SEC. 10. Neither the settlement lands nor any monies received by the State Corporation from the Fund shall be subject to any form of federal, state or local taxation: *Provided, however,* That this exemption shall not apply to any income-producing activities occurring on the settlement lands: *And provided further* That nothing in this Act shall prevent the imposition of payments in lieu of taxes on the State Corporation for services provided in connection with the settlement lands.

DEFERRAL OF CAPITAL GAINS

SEC. 11. For purposes of Subtitle A of the Internal Revenue Code of 1954, sale or disposition of private settlement lands disposed of pursuant to the terms and conditions of the Settlement Agreement shall be treated as an involuntary conversion as a result of condemnation or the threat or imminence thereof to which Section 1033 of the Internal Revenue Code of 1954 applies.

APPLICABILITY OF STATE LAW

SEC. 12. Except as otherwise provided in this Act, the settlement lands shall be subject to the complete civil and criminal jurisdiction of the State of Rhode Island.

ATTORNEY AND CONSULTANT FEES

SEC. 13. A sum not in excess of $80,077.84 shall be distributed from the Fund to those

private defendants in the lawsuits who have not executed Option Agreements with the State Corporation as reimbursement for partial out-of-pocket expenses incurred through April 21, 1978 and partial attorneys' fees incurred in connection with the lawsuit.

FEDERAL BENEFITS PRESERVED

SEC. 14. Nothing contained in this Act or any legislation enacted by the State of Rhode Island pursuant to its obligations under the Settlement Agreement shall affect or otherwise impair in any adverse manner any benefits received by the State under the Pitman-Robertson Act (16 U.S.C. §§ 669–669 (i)) and the Dingell-Johnson Act (16 U.S.C. §§ 777–777(k)).

AUTHORIZATION OF FUNDS

SEC. 15. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

SAVINGS CLAUSE

SEC. 16. To the extent that there may be any conflict between any provision of this Act and any other applicable federal law or laws, the provisions of this Act shall govern.

STATUTE OF LIMITATIONS

SEC. 17. Notwithstanding any other provision of law:

(a) any action to contest the authority of the United States to legislate on the subject matter of this Act, or to contest the legality or constitutionality of this Act or any provision thereof, shall be barred unless the complaint is filed within one hundred eighty (180) days of the date of enactment of this Act; and

(b) any action over which the Court of Claims has jurisdiction under the provisions of 28 U.S.C. § 1505 by any Indian, Indian nation or tribe of Indians affected by section 4(d)(1) and (2) of this Act shall be barred unless such action is filed in the Court of Claims within three years of the date of enactment of this Act.

SEPARABILITY

SEC. 18. If any provision of this Act or the applicability thereof is held invalid, the remaining provisions of this Act shall not be affected thereby.

ADDITIONAL COSPONSORS

S. 50

At the request of Mr. ROBERT C. BYRD, on behalf of Mrs. HUMPHREY, the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Wisconsin (Mr. NELSON, the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from New York (Mr. JAVITS), the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Washington (Mr. MAGNUSON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CLARK), the Senator from Maine (Mr. HATHAWAY), the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. LEAHY), the Senator from Ohio (Mr. METZENBAUM), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 50, the Full Employment and Balanced Growth Act.

S. 1140

At the request of Mrs. HUMPHREY, her name was added as a cosponsor of S. 1140, a bill to encourage and assist the States to develop improved programs for the conservation of nongame species of native fish and wildlife, and for other purposes.

S. 2270

At the request of Mr. CASE, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 2270, to designate a segment of the Delaware River as a component of the National Wild and Scenic Rivers System.

S. 2510

At the request of Mr. MORGAN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2510, a bill to provide that no funds be expended on the new program on smoking and health announced by the Secretary of Health, Education, and Welfare on January 11, 1978, without specific approval by Congress.

S. 2778

At the request of Mr. BENTSEN, the Senator from Alabama (Mr. ALLEN), the Senator from Minnesota (Mr. ANDERSON), the Senator from Oklahoma (Mr. BELLMON), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Arizona (Mr. DECONCINI), the Senator from Kansas (Mr. DOLE), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from California (Mr. HAYAKAWA), the Senator from Arkansas (Mr. HODGES), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Vermont (Mr. LEAHY), the Senator from Louisiana (Mr. LONG), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. PERCY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Maryland (Mr. SARBANES), the Senator from Florida (Mr. STONE), the Senator from Georgia (Mr. TALMADGE), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2778, a bill to provide for increased criminal penalties for the unauthorized manufacture and distribution of PCP and to provide for piperidine reporting.

S. 2867

At the request of Mr. BAKER (for Mr. GOLDWATER), the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 2867, a bill to remove residency requirements and acreage limitations applicable to land subject to reclamation law.

S. 2910

At the request of Mr. KENNEDY, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 2910, a bill to establish a program for the development networks of community based services to prevent initial and repeat pregnancies among adolescents, to provide care to pregnant adolescents, and to help adolescents become productive independent contributors to family and community life.

S. 3049

At the request of Mr. CULVER, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 3049, the Product Liability Self-Insurance Act of 1978.

S. 3134

At the request of Mr. ALLEN, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 3134, to provide that certain statutory subsistence received by State police officers will not retroactively be included in gross income.

S. 3136

At the request of Mr. BAKER, the Senator from Alabama (Mr. SPARKMAN) was added as a cosponsor of S. 3136, a bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments.

SENATE RESOLUTION 402

At the request of Mr. ALLEN, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of Senate Resolution 402, relating to proposed bans by the Food and Drug Administration on certain uses of penicillin and tetracycline products in animal feeds.

SENATE CONCURRENT RESOLUTION 68

At the request of Mr. CURTIS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Concurrent Resolution 68, expressing the sense of the Congress on the Baltic State question.

AMENDMENT NO. 1763

At the request of Mr. MORGAN, the Senator from Indiana (Mr. LUGAR) and the Senator from Florida (Mr. STONE) were added as cosponsors of amendment No. 1763 intended to be proposed to H.R. 7200, the Public Assistance Amendments of 1977.

AMENDMENT NO. 1823

At the request of Mr. KENNEDY, the Senator from Colorado (Mr. HART) was added as a cosponsor of amendment No. 1823, intended to be proposed to S. 2467, the Labor Reform Act of 1978.

SENATE RESOLUTION 467—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. EASTLAND, from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 467

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of that Act are waived with respect to the consideration of S. 3151, a bill to authorize appropriations for the Department of Justice and related agencies for F.Y. 1979 and for other purposes.

Such waiver is necessary to permit consideration of S. 3151, the bill authorizing appropriations to be made for the Department of Justice for F.Y. 1979. Enactment of that bill is required by Section 204 of P.L. 94–503 which required specific authorizing legislation for the Department of Justice commencing with F.Y. 1979.

Even though Committee hearings were commenced on March 22, 1978, final action by the Committee on the Judiciary on S. 3151 was inadvertently delayed by the press of business both within the Committee and within the Senate.

SENATE RESOLUTION 468—SUBMISSION OF A RESOLUTION RELATING TO THE PRESIDENT'S INTENDED VISIT TO PANAMA

Mr. BROOKE (for himself, Mr. HEINZ, Mr. YOUNG, Mr. ALLEN, Mr. GARN, Mr. WALLOP, Mr. HELMS, Mr. LAXALT, Mr. SCHMITT, Mr. STONE, Mr. HATCH, Mr. HANSEN, Mr. HARRY F. BYRD, JR., Mr. STEVENS, and Mr. MCCLURE) submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 468

Whereas, the Senate on April 17, 1978, approved a reservation to the Panama Canal Treaty stipulating that the " . . . exchange of the instruments of ratification shall not be effective earlier than March 31, 1979, . . . unless legislation necessary to implement the provisions of the Panama Canal Treaty shall have been enacted by the Congress"; and

Whereas, the intent of that reservation is to give the Congress and its appropriate committees an opportunity to consider implementing legislation prior to the occurrence of any action which would prejudice the ability of the Congress to exercise its will with respect to such legislation; and

Whereas, the President of the United States has announced his intention to exchange the instruments of ratification during a visit to Panama on June 16 and 17, 1978 and to sign the related Protocol of Exchange, subject to the condition that the effective date of the exchange will not be any earlier than March 31, 1979, or until implementing legislation is passed, whichever is sooner; and

Whereas, the legal effect of the June 16–17 signing of the Protocol, even if qualified, is uncertain; Now, be it therefore

Resolved that it is the sense of the Senate that neither the exchange of the instruments of ratification, relating to the Panama Canal Treaties, however qualified, nor the incurring of any international obligation to exchange such documents, should take place any earlier than March 31, 1979, unless implementing legislation has been enacted prior to such date.

Mr. BROOKE. Mr. President, on behalf of myself and 14 of my Senate colleagues, I am, today, submitting a resolution stating the sense of the Senate that March 31, 1979, should be the earliest date when an official exchange of the instruments of ratification relating to the Panama Canal treaties should take place. Although I realize that most of us would like a respite from concern about the canal issue, the President's stated intent to visit Panama on June 16–17 for the purpose of exchanging the instruments of ratification and signing the related protocol compels me to introduce this resolution to reaffirm the intent of the Senate regarding this matter as found in the reservation passed by an 84–3 vote during our deliberations on the Panama Canal Treaty.

The reservation to which I refer states:

Exchange of the instruments of ratification of the Panama Canal Treaty and of the Treaty concerning the Permanent Neutrality and Operation of the Panama Canal shall not be effective earlier than March 31, 1979, and such Treaties shall not enter into force prior to October 1, 1979, unless legislation necessary to implement the provisions of the Panama Canal Treaty shall have been enacted by the Congress of the United States of America before March 31, 1979.

The administration has sought to use the phrase "effective earlier than March 31, 1979" to justify the exchange of the instruments of ratification during the President's June 16–17 trip to Panama. The State Department apparently contends that so long as the exchange is conditioned by a statement that it will not come into operation until March 31, 1979, the intent of the reservation is being adhered to.

The administration's tortured interpretation of the intent of the reservation is contrary to the floor debate and is certainly not in keeping with my discussions with administration officials as the reservation was being drafted. It was fully my intent in proposing the reservation that no official exchange of the instruments of ratification should take place earlier than March 31, 1979, unless the Congress had passed implementing legislation before that date. At no time in my discussions with the administration did I indicate anything to the contrary.

Senator SARBANES, one of the leading proponents of the treaties, recognized my intent when, in referring to the reservation, he said:

* * * the provision he [Brooke] has now offered states that if the implementing legislation is enacted earlier than that, [March 31, 1979] then we should proceed with the exchange of the articles of ratification.

Nothing in the colloquy that took place on the reservation justifies the interpretation the administration has chosen. I, therefore, find it difficult to understand why the President is taking this course of action. The only explanation that makes any sense to me is that he feels compelled to be supportive of the present leader of Panama. That disturbs me. There is no natural affinity between ourselves and Panama's present government.

There is a natural affinity between our love of freedom and democracy and that of the Panamanian people. The present Government of Panama certainly can not be characterized as a defender of individual freedom and democracy or as a respector of human rights. Therefore, it seems highly inconsistent to me that the administration would lend the prestige of the U.S. Government to bolster the position of the present Panamanian Government. There are many in Panama as well as in this country who are perplexed and disturbed by the approach adopted by the administration.

The U.S. Senate agreed to the treaties out of a belief that, on balance, they would serve our national interest and evidence American desire to help the Panamanian people achieve just aspirations. We did not ratify the treaties in order to solidify the power of an individual! Yet, the President's trip to Panama will have just that effect.

The proper course of action is for the administration to abide by the intent of the reservation. No exchange of the instruments of ratification, however qualified, should take place earlier than March 31, 1979. The Congress should be allowed the time provided in the reservation to consider with care the implementing legislation unfettered by a premature action such as that contemplated by the President in his trip. The Panamanian people should similarly be allowed the extended time period set forth in the reservation to judge whether or not their constitutional role regarding the treaties has been fully respected.

The resolution that is being submitted today will reaffirm the intent of the Senate in voting in favor of the reservation regarding the implementing legislation. It calls upon the President to avoid any exchange of the instruments of ratification or any international obligation to exchange such documents prior to the March 31, 1979, date. That was clearly my intent in offering the original reservation and I believe that was the Senate's intent when it was passed by an 84-to-3 vote.

Mr. President, I hope that the relevant committee will act quickly on this resolution and report it out immediately after the Memorial Day recess so that the Senate will be able to indicate that it expects the President to abide by the conditions on which the favorable vote on the treaties were predicated.

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—H.R. 8410

AMENDMENTS NOS. 2244 THROUGH 2250

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

Mr. HOLLINGS submitted seven amendments intended to be proposed by him to the bill (H.R. 8410) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

Mr. HOLLINGS. Mr. President, I am today submitting several amendments to the Labor Law Reform Act, H.R. 8410–S. 2467. Last week I had the opportunity to speak in opposition to this bill. At that time, I discussed several areas of the bill which, in my opinion, need change in order to correct obvious shortcomings. The changes I propose in the bill, Mr. President, will go a long way toward restoring the balance between labor and management that is so historic and essential in this important area of the law.

Mr. President, I ask unanimous consent that the amendments and a brief explanation of their purpose be printed in the RECORD.

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

AMENDMENT NO. 2244

Beginning on page 20, line 15, strike out all through page 22, line 3, and insert in lieu thereof the following subsection:

"(f) Where there exists an agreement between an employer and a labor organization, whether expressed or implied, not to strike, picket or lockout, a party to the agreement, or the Board if it finds that the public interest would be served thereby, shall have the power to petition any district court of the United States (including the District of Court of the United States for the District of Columbia) within any district where either or both of the parties reside or transact

business, for such temporary injunctive relief or restraining order as is necessary to prevent any person from engaging in, or inducing or encouraging any employee of the employer to engage in, conduct in breach of such agreement, irrespective of the nature of the dispute underlying such strike, picket or lockout, and such court shall have jurisdiction to grant such party or the Board such temporary injunctive relief or restraining order as it deems just and proper.

(Explanation)

BREACH OF CONTRACT STRIKES

Claims by labor reform proponents to the contrary notwithstanding, the stranger picketing provision dilutes substantially the authority of the courts to enjoin breach of contract strikes. This amendment provides both the Board and any party to a contract with the right to petition a federal district court for an injunction against strikes called in breach of contractual no-strike pledges irrespective of the nature of the issues underlying the strike.

AMENDMENT NO. 2245

On page 22, after line 3, add the following as a new section 14:

"SEC. 14. (a) Section 8(a)(5) of the National Labor Relations Act is amended to read as follows:

"(5) to refuse to bargain collectively with the representatives of his employees: *Provided*, That nothing in this Act shall be construed as requiring an employer to bargain collectively until a representative of his employees has been determined by means of a secret ballot election conducted in accordance with the provisions of section 9.".

(b) Section 9(a) of such Act is amended—

(1) by striking out "designated or" immediately before "selected for the purposes of collective bargaining"; and

(2) by inserting between "selected" and "for the purposes of collective bargaining" the following: "by a secret ballot election".

On page 22, line 4, delete "Sec. 14." and insert in lieu thereof "Sec. 15.".

(Explanation)

REQUIREMENT OF SECRET BALLOT ELECTIONS

Although the Board's election process is the only reliable means of determining whether a majority of unit employees favor union representation, employers are frequently ordered by the Board to bargain with unions whose majority status has been determined by means such as authorization cards. This amendment emphasizes the fundamental need for secret-ballot elections by precluding court enforcement of any bargaining order unless the union's majority status has been determined in an election.

AMENDMENT NO. 2246

Beginning on page 15, line 22, strike out all through page 16, line 21, and insert in lieu thereof the following: "(3)(A) In a case in which the Board determines that an unlawful refusal to bargain prior to the entry into the first collective bargaining contract between the employer and the representative selected or designated by a majority of the employees in the bargaining unit has taken place, the Board may, whenever it deems such relief to be appropriate, enter an order pursuant to paragraph (1) of this section making employees in that unit whole for any loss of economic benefit resulting from the delay in bargaining caused by the unfair labor practice. *Provided*, That this subsection shall not apply to any refusal to bargain committed in a *bona fide* attempt to secure court review under section 10 of a rule or regulation promulgated under section 6 or a certification issued under section 9.

(Explanation)

MAKE-WHOLE REMEDY

The make-whole remedy is inappropriate for two primary reasons. First, the standard for calculating make-whole relief is keyed to settlements in extraordinarily large bargaining units which bear little or no relevance to settlements reached in most units monitored by the Board. Second, the remedy penalizes employers for pursuing the statutorily-mandated route for securing court review of NLRB representation findings. This amendment would remedy both defeats. The availability and amount of appropriate make-whole relief is left to the discretion of the Board rather than to an unrelated government index. In addition "technical" refusals to bargain committed in the context of "certification-test" proceedings are specifically exempted from the remedy. As a result, the remedy is applied to genuine bad-faith refusals to bargain, and the calculation of relief is keyed to actual economic losses sustained by unit employees.

AMENDMENT NO. 2247

On page , line ,

(1) Delete Sec. 8 of S. 2467 in its entirety and the following portions of Sec. 9:

(a) page 13 line 16 through 25;

(b) page 14 line 10 through page 15 line 21.

(2) Renumber the remaining provisions of Sec. 9 accordingly and redesignate as Sec. 8.

(3) Insert the following as a new Sec. 9:

Sec. 9. Section 10(e) of the National Labor Relations Act is amended

(1) by striking out the first sentence and inserting in lieu thereof the following: "Both the Board and any charging party shall have power to petition any court of appeals of the United States, or if all the courts of appeals to which application may be made are in vacation, any district court of the United States, within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall file in the court the record in the proceedings, as provided in section 2112 of title 28, United States Code.";

(2) by adding at the end thereof the following new sentence: "Both the Board and any charging party shall have the right to initiate appropriate contempt proceedings in the event of a failure to comply with any order of the court made pursuant to this section.".

(Explanation)

CONTRACT DEBARMENT

This amendment deletes the contract debarment provision and instead vests charging parties as well as the Board with the authority to seek court enforcement of Board orders and contempt citations. Expanded contempt is preferable for several reasons: (1) it does not result in the loss of job occasioned by debarment, (2) it is a compensatory rather than punitive remedy, (3) it applies to all employers including those which are not federal contractors, (4) it avoids due process weaknesses inherent in the debarment procedure, and (5) it does not interrupt the flow of goods and services to the federal government. What it does do, is insure that contempt actions will be brought against willful violators of the NLRA because it is the aggrieved party—not the Board—which will initiate them.

AMENDMENT NO. 2248

Beginning on page 7, line 17, strike out all through page 11, line 23, and insert in lieu thereof the following: "(6)(A) Notwithstanding any other provisions of section 9, whenever a petition shall have been filed and served pursuant to subsection (c)(1) or (e)(1) of this section 9 in accordance with such regulations as may be prescribed by the Board, the Board shall investigate such petition. If the Board finds that the unit there specified is a unit covered by an agreement pursuant to section 8(a)(3), or is a unit where the certified or currently recognized representative is no longer desired, or is a unit appropriate for the purposes of collective bargaining, and if the Board has reasonable cause to believe that a question of representation affecting commerce exists, the Board shall, unless the parties mutually agree otherwise, direct an election by secret ballot to be held within a period of not less than twenty-one nor more than eighty days after a petition is filed and served under this subparagraph and shall certify the results thereof; Provided that, in no event shall the Board conduct an election without first resolving all issues necessary to determine whether a question of representation exists. In computing the time limits stated in this paragraph the days of the week during which a majority of the employees involved in the election are on vacation or are not scheduled to work shall not be included.".

(Explanation)

EXPEDITED ELECTIONS

The labor reform legislation strips the Board of its authority to establish election dates and substitutes a rigid 3-tier election schedule dependent upon the success of the union's organizing efforts and the complexity of the issues involved. Elections would be run on their scheduled dates irrespective of whether such issues as the appropriate bargaining unit, voter eligibility, and the Board's jurisdiction have been resolved. This amendment would delete the rigid time schedule and maintain the Board's authority to schedule elections. The Board would be required to run the election within 21–80 days of the filing of the petition, after all pre-election issues have been resolved.

AMENDMENT NO. 2249

On page 6, beginning with line 23, strike out through line 14 on page 7.

On page 7, line 15, strike out "Sec. 6." and insert in lieu thereof "Sec. 5.".

On page 11, line 24, strike out "Sec. 7." and insert in lieu thereof "Sec. 6.".

On page 12, line 4, strike out "Sec. 8." and insert in lieu thereof "Sec. 7.".

On page 13, line 14, strike out "Sec. 9." and insert in lieu thereof "Sec. 8.".

On page 17, line 22, strike out "Sec. 10." and insert in lieu thereof "Sec. 9.".

On page 18, line 14, strike out "Sec. 11." and insert in lieu thereof "Sec. 10.".

On page 19, line 19, strike out "Sec. 12." and insert in lieu thereof "Sec. 11.".

On page 20, line 12, strike out "Sec. 13." and insert in lieu thereof "Sec. 12.".

On page 22, line 4, strike out "Sec. 14." and insert in lieu thereof "Sec. 13.".

(Explanation)

DELETION OF GUARD PROVISION

Section 5 of the labor reform legislation lifts current restrictions against non-guard unions representing units of guards. Once non-guard unions are afforded this privilege, there is simply no way to insulate against the development of potentially dangerous conflict of loyalty situations in which guards are forced to choose between protecting their employer's property and maintaining their allegiance as union members. Accordingly, this amendment simply deletes the proposed changes in existing law and thereby continues the current prohibition against non-guard unions representing guard employees.

AMENDMENT NO. 2250

Beginning on page 4, line 14, strike all through page 5, line 19. On page 5, line 20, strike "(B)" and insert in lieu thereof "(A)". On page 5, line 22, strike "(C)" and insert in lieu thereof "(B)". On page 17, following line 21, insert the following new subsection:

"(C) In a case in which the Board determines that during a period of time that employees are seeking (i) representation by a labor organization, (ii) to decertify or deauthorize a labor organization as their representative defined in subsection (a) of

section 9, or (iii) to rescind an agreement made pursuant to the first proviso to subsection (a)(3) of section 8, the employer has repeatedly and willfully prevented the union or unions involved from presenting information to the employees, the Board may petition any district court of the United States (including the District Court of the United States for the District of Columbia) within any district where the unfair labor practice in question has occurred for an order which would, subject to reasonable conditions, including due regard for the needs of the employer to maintain the continuity of production or service to its customers, entitle representatives of such unions to address unit employees assembled on company premises in a customary meeting place for a reasonable period of time."

(Explanation)

EQUAL ACCESS TO COMPANY PREMISES

This amendment would convert the concept of equal access for union representatives to company premises from an election rule to a court-imposed unfair practice remedy. The amendment recognizes that under current law union organizer's already enjoy a distinct advantage in communicating their campaign messages to employees, but that upon occasion this privilege is frustrated by unlawful employer interference. The amendment provides that when an employer "repeatedly and willfully" prevents a union from communicating with employees, the Board may petition an appropriate federal district court for an order granting union representatives access to employer premises for purposes of addressing unit employees "assembled on company premises in a customary meeting place for a reasonable period of time."

REDUCTION IN RATE OF EXCISE TAX ON INVESTMENT INCOME OF PRIVATE FOUNDATIONS—H.R. 112

AMENDMENT NO. 2251

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

Mr. LONG submitted an amendment intended to be proposed by him to the bill (H.R. 112) to amend the Internal Revenue Code of 1954 to reduce the excise tax on the investment income of private foundations from 4 percent to 2 percent.

Mr. LONG. Mr. President, I submit an amendment for printing to H.R. 112. I ask unanimous consent that an explanation of the amendment be printed in the RECORD.

There being no objection, the explanation was orderd to be printed in the RECORD, as follows:

EXPLANATION OF SENATE FINANCE COMMITTEE AMENDMENT ON CANCELLATION OF CERTAIN STUDENT LOANS

Under certain student loan programs established by the United States and various State and local governments, all or a portion of the loan indebtedness may be discharged if the student performs certain services for a period of time in a certain geographical area pursuant to conditions in the loan agreement. In 1973, the Internal Revenue Service ruled on a situation in which a State medical education loan scholarship program provided that portions of the loan indebtedness are discharged on the condition that the recipient practices medicine in a rural area of the State. The Service determined that amounts received from such a loan program were included in the gross income of the recipient to the extent that repayment of a portion of the loan is no longer required (Rev. Rul. 73-256, 1973-1 C.B. 56). On November 4, 1974, the Service determined that this ruling would be applied only to loans made after June 11, 1973, the date of the above ruling (Rev. Rul. 74-540, 1974-2 C.B. 38).

The Tax Reform Act of 1976 provided that in the case of loans forgiven prior to January 1, 1979, no amount shall be included in gross income by reason of the discharge of all or part of the indebtedness of the individual under certain student loan programs if the discharge was pursuant to a provision of the loan agreement under which all or part of the indebtedness of the individual would be discharged if the individual works for a certain period of time in certain professions in certain geographical areas or for certain classes of employers. The amendment made by the 1976 Act applies to student loans made to an individual to assist him in attending an educational institution only if the loan was made by the United States or an instrumentality or agency thereof or by a State or local government, either directly or pursuant to an agreement with an educational institution.

The committee amendment would provide a 4-year extension, through January 1, 1983. Under the amendment, loans forgiven prior to January 1, 1983, would not be included in the taxpayer's income.

DUTY ON POPPY STRAW CONCENTRATE—H.R. 3790

AMENDMENT NO. 2252

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

Mr. LONG submitted an amendment intended to be proposed by him to the bill (H.R. 3790) to suspend until the close of June 30, 1980, the duty on concentrate of poppy straw used in producing codeine or morphine.

Mr. LONG. Mr. President, I submit an amendment for printing to H.R. 3790. I ask unanimous consent that an explanation of the amendment be printed in the RECORD.

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

EXPLANATION OF SENATE FINANCE COMMITTEE AMENDMENT RELATING TO CERTAIN ADVANCE REFUNDING OBLIGATIONS

BACKGROUND

Prior to 1968 no distinction was made between general State and local obligation bonds and industrial development bonds. Consequently, State or local governments were able to issue bonds bearing interest which was exempt from federal income taxation and use the proceeds from the bond issue to build manufacturing plants to attract industry.

The Revenue and Expenditure Control Act of 1968 provided generally that interest on certain industrial development bonds was not exempt from federal income taxation. However a transitional rule provided that interest on industrial development bonds issued prior to May 1, 1968 was to remain exempt (so called pre-1968 bonds).

The existing Treasury regulations generally provide that the proceeds from obligations issued to refund outstanding tax exempt industrial revenue bonds are considered to be issued for the purpose for which the original issue was used. These regulations also provide that obligations issued to refund obligations which would have been taxable industrial development bonds, but for the fact that they were originally issued prior to the effective date of the 1968 Act, would also be tax exempt industrial development bonds if the proceeds of the refunding issue were available only to service the debt of the original issue.

Issuers of industrial development bonds generally issue refunding obligations under these Treasury regulations primarily to refund original issues at a lower effective cost and to extend the maturity date of pre-1968 industrial development bonds. A major portion of these pre-1968 industrial development bond refunding issues were so-called advance refundings which for the first time became an important factor in the tax-exempt bond market early in 1977. An advance refunding is an obligation issued well in advance of the maturity or call date of the original issue.

PROPOSED TREASURY REGULATIONS

On November 4, 1977, the Department of the Treasury announced that it would propose amendments to the regulations which would substantially restrict tax exempt advance refundings of industrial development bonds issued before and after the effective date of section 103(b) as well as certain current refundings. The proposed amendments would be effective with respect to refunding obligations issued after 5:00 p.m. EST November 4, 1977. On November 9, 1977, Treasury further announced that the effective date of the proposed regulations would be December 1, 1977 for refunding obligations issued to refund industrial development bonds substantially all the proceeds of which are used to provide residential real property for certain family units.

The proposed amendments to the Treasury regulations were published in the Federal Register for December 6, 1977. The proposed regulations prohibit tax exempt refundings of industrial development bonds issued before the effective date of section 103(b) if the refunding issue extends the maturity date of the outstanding bonds. An extension of the maturity of those tax exempt obligations would have the same effect as issuing obligations.

The proposed regulations also prohibits tax exempt advance refunding of industrial development bonds issued after May 1, 1968 whether or not they extend the maturity date of the original issue.

The effective date of the proposed Treasury industrial development bond refunding obligations would prevent the issuance of advance refunding issues which were not yet issued even though substantial time, effort and money were expended prior to the November 4, 1977, announcement.

AMENDMENT

Under the amendment, an industrial development bond refunding issue would qualify for tax-exempt status if it satisfies the conditions prescribed or proposed to be prescribed by the Secretary of the Treasury prior to the date when the refunding issue is issued.

The amendment also provides a special transitional rule for pre-1968 industrial revenue bonds. Under this transitional rule, an obligation issued to refund a pre-1968 tax-exempt industrial revenue bond must satisfy four tests.

First, the refunding obligation would be required to satisfy the Treasury regulations in effect before November 5, 1977 determined wtihout regard to the proposed amendment.

Second, the refunding obligation would be required to be issued either (a) before November 5, 1977, or (b) during the period beginning on November 5, 1977 and ending on the 180th day after the date of enactment of the amendment.

Third, the proceeds of the refunding issue would be required to be applied solely to the payment of principal, interest, any redemption premium on the original issue either at or prior to its maturity and the payment of the issuance expenses of the refunding issue.

Fourth, any one of the following actions would be required to have been taken prior

to November 5, 1977: (1) The issuance of the refunding issue or the proceedings toward such issuance were authorized or approved by the governing body of the governmental unit issuing the obligation or by the voters of such governmental unit, (2) A bond purchase agreement for the sale of the refunding obligation had been executed or (3) The corporation which is obligated to make payments to the governmental unit for payment of the debt service on the obligations to be refunded approved (by its board of Directors, or by any committee thereof empowered to take action of that nature) participation in or proceedings toward the issuance of the refunding obligation.

NOTICE OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT OF THE SENATE FINANCE COMMITTEE

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold hearings on June 19, 1978, on various miscellaneous tax bills.

The hearing will be held on Tuesday, June 19, 1978, at 9 a.m. in room 2221, Dirksen Senate Office Building.

The following pieces of legislation will be considered:

S. 2872, sponsored by Senator ALLEN, a bill to exclude from gross income statutory subsistence allowances paid to law enforcement officers. It is estimated that this measure will benefit approximately 12 States which have established a cash meal allowance system for law enforcement officers and will cause a loss of revenues of less than $5 million.

H.R. 810, sponsored by Representative CONABLE, a bill amending section 4941 of the Code to permit private foundations to pay or reimburse Government officials for expenditures (up to certain limits) incurred for travel outside the United States. It is estimated that this bill will not have any direct revenue effect.

H.R. 1337, sponsored by Representative STEIGER, a bill amending section 4216 of the Code to modify certain rules used in determining the manufacturer's excise tax on sales of trucks, buses, highway tractors, trailers, and semitrailers. The provisions contained in this bill are estimated to reduce revenues by $500,000 per year, beginning with fiscal year 1978.

H.R. 1920, sponsored by Representative WAGGONNER, a bill to amend section 5064 of the Code to expand the list of circumstances under which distributors or retailers of alcoholic beverages receive payments from Treasury for prepaid excise taxes and customs duties on such products if destroyed by disasters, and so forth. The provisions contained in this bill, as amended, are estimated to result in a revenue loss of less than $100,000 in fiscal year 1978 and approximately $500,000 each year thereafter.

H.R. 2028, sponsored by Representative CONABLE, a bill to amend certain alcohol tax provisions of the Code to permit adults (after registration) to produce beer in limited quantities for personal or family use, and modifies present law relating to tax-free production (without registration) of wine for home use. The provisions contained in the bill, as amended, are estimated to reduce revenues by less than $1 million in fiscal year 1978 and by less than $1.5 million a year thereafter. S. 2930, an identical measure sponsored by Senator MOYNIHAN, will also be considered.

H.R. 2852, sponsored by Representative PICKLE, a bill modifying the procedures pursuant to which excise tax refunds or credits are allowed for farming-purpose use of aviation fuels, so that the cropduster (rather than the farmer) claims the refund or credit. The provisions contained in this bill, as amended, are estimated to reduce revenues by less than $100,000 in fiscal year 1978 and by less than $1.5 million a year thereafter. (These amounts would otherwise go to the airport and airway trust fund—through June 30, 1980.)

H.R. 2984, sponsored by Representatives DUNCAN and PICKLE, a bill to amend Section 4063 of the Code to modify an exemption provided in present law from the 10 percent manufacturers excise tax imposed on sales of certain trailers or semitrailers, in the case of trailers or semitrailers designed for farming purposes or for transporting horses or livestock. The provisions contained in the bill are estimated to reduce revenues by $2 million per year, beginning with fiscal year 1978.

H.R. 3050, sponsored by Representative CORMAN, a bill providing a new tax accounting method applicable to returns of unsold magazines, paperback books, and records. This bill, as amended, is estimated to reduce budget receipts $22 million in fiscal year 1980, $11 million in fiscal year 1981, $12 million in fiscal year 1982, and $12 million in fiscal year 1983.

H.R. 5103, sponsored by Representatives CONABLE and ROSTENKOWSKI, a bill clarifying and modifying excise tax provisions relating to warranty adjustments on tires and tread rubber. The provisions contained in the bill, as amended, are estimated to reduce revenues by less than $100,000 in fiscal year 1978 and by less than $200,000 a year thereafter.

H.R. 6635, sponsored by Representative PICKLE, a bill authorizing the Treasury to increase the interest rate payable on previously issued U.S. retirement bonds, so that those bonds will earn interest at rates consistent with rates currently established for series E U.S. savings bonds. The provisions contained in the bill, as amended, are estimated to have no effect on budget receipts but will result in increased budget outlays of $1 million per year.

H.R. 8535, sponsored by Representative CONABLE, a bill amending section 44A of the Internal Revenue Code to extend the child care credit to otherwise qualifying payments for child care services performed by grandparents or other adult relatives, regardless of whether the relatives' services constitute "employment" as defined for social security tax purposes. The provisions contained in the bill, as amended, are estimated to result in a decrease in budget receipts of $3 million in fiscal year 1978, $36 million in fiscal year 1979, $35 million in fiscal year 1980, $37 million in fiscal year 1981, $37 million in fiscal year 1982, and $38 million in fiscal year 1983.

H.R. 9811, sponsored by Representatives ULLMAN and CONABLE, a bill amending section 7447 of the Internal Revenue Code to allow present or former U.S. Tax Court judges to revoke a prior election to come under the Tax Court retirement pay system, and qualify for civil service retirement benefits (but not for benefits under both systems). The bill would benefit any Tax Court judge who has elected the Tax Court retirement system and has not yet retired and former Tax Court Judge Russell E. Train, who is not eligible for Tax Court retirement and is currently ineligible for civil service retirement benefits, because of his Tax Court election. The provisions contained in the bill are estimated not to have any significant revenue or expenditure effect in the current fiscal year or in any of the 5 following fiscal years.

Persons who desire to testify at the hearing should submit a written request to Michael Stern, staff director, Committee on Finance, Room 2227, Dirksen Senate Office Building, Washington, D.C. 20510 by no later than the close of business on Wednesday, June 14, 1978.●

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY

● Mr. EAGLETON. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia will hold 2 days of hearings on H.R. 8588, to establish offices of inspector generals in key Federal departments and agencies. The hearings will be at 9:30 a.m., June 14 in room 6226 and June 15 in room 3302, Dirksen Senate Office Building.

Witnesses will include representatives from the Justice Department, the Department of Health, Education, and Welfare, the General Accounting Office, and other agencies.●

SELECT COMMITTEE ON ETHICS

● Mr. MORGAN. Mr. President, the Select Committee on Ethics, Morgan-Schmitt Subcommittee, will hold executive session hearings concerning possible unauthorized disclosure of information concerning intelligence activities in Panama. Hearings are scheduled in S-407, the Capitol, for Friday, June 9, 1978, at 1:30 p.m.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT OF THE SENATE FINANCE COMMITTEE

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold hearings on June 28 and 29, 1978, on various bills affecting the taxation of capital gains.

The hearings will be held on Wednesday, June 28 and Thursday, June 29, 1978, beginning each day at 9:30 a.m. in room 2221, Dirksen Senate Office Building.

The following bills, applicable to taxpayers generally, will be the subject of the hearings:

S. 3065, sponsored by Senator HANSEN with approximately 61 Senate cosponsors, a bill reducing the maximum tax rate on net capital gains for corporations and individuals to 25 percent, effective for taxable years beginning after December 31, 1979. Based upon a static economic model without accounting for feedback effect, the bill is estimated to produce an annual revenue loss of $2.4 billion. Proponents of the measure indicate that it will produce a revenue gain.

S. 2608, sponsored by Senator BENTSEN and cosponsored by Senator HANSEN, TALMADGE, CURTIS, and BYRD of Virginia, a bill to provide a graduated exclusion from gross income for long-term capital gains and a graduated nonrecognition of long-term capital losses for individuals. Based upon a static economic model without accounting for feedback effect, the bill is estimated to produce an annual revenue loss of $1 billion.

S. 2428, sponsored by Senator HASKELL, a bill providing for the nonrecognition of gain from the sale or exchange of an interest in a small business concern where at least 80 percent of the proceeds are reinvested in another small business concern. Based upon a static economic model without accounting for feedback effect, the bill is estimated to produce an annual revenue loss of $600 million.

Persons who desire to testify at the hearings should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C.

20510, by no later than close of business on Thursday, June 22, 1978.●

ADDITIONAL STATEMENTS

BOB HOPE

● Mr. BENTSEN. Mr. President, Bob Hope's been playing the Nation's Capital for the past 2 days, prepping for his diamond jubilee, and I think we are all a little happier as a result.

I want to take this occasion to wish Bob Hope a very happy birthday and to thank him for the good cheer and the good will he has generated in this country for over half a century.

Bob has made us laugh, he has made us feel better about ourselves even when there has been very little to laugh or feel good about. He has made it a point to dispense humor to those in greatest need; to generations of American servicemen far from home. To young men who could not say with any certainty that they would return home.

Bob Hope has an enormous talent, and he has used the full measure of that talent. Over the years he has delighted millions of Americans with his wit, his grace, and his sense of the absurd. He has helped us to laugh at ourselves rather than at each other, and for that we owe him a special measure of appreciation.

Bob Hope has become one of the best known and best loved personalities in America not because he is a great comic, but because he is a great person. A man of transparent decency, talent, and patriotism who has spent a lifetime pointing out our foibles and make us smile.

Happy Birthday, Bob.●

SHELDON JACKSON COLLEGE

● Mr. STEVENS. Mr. President, this week, Sheldon Jackson College, the oldest educational institution in Alaska, will be celebrating its 100th anniversary. The school is located in Sitka, the old Russian capital of Alaska, and the site of the signing of the transfer of Alaska from Russia to the United States in 1867.

The college was founded in 1878 by two Presbyterian missionaries as a training school for Tlingit Indians. Today it operates as the only private 2-year college in the State, offering many different curriculums such as: aquaculture, forestry, and native studies, along with the traditional disciplines of a bachelor of science and arts preparatory program. Sheldon Jackson is one of the few remaining educational institutions that emphasizes the interaction of Christian, academic, and community life as a part of the total learning process.

During their centennial celebration, I would like to offer my sincere congratulations to the college for a job well done. In honor of this occasion, I have had a flag flown over the U.S. Capitol. I hope it will serve as a pleasant reminder to Sheldon Jackson College, as they begin another century of service to Alaskans.●

THE ALASKAN WILDERNESS

● Mr. RIEGLE. Mr. President, on April 3, of this year, I inserted in the RECORD an editorial from the Detroit Free Press dealing with the issue of regulation of the Alaskan wilderness. Since that time I have become a cosponsor of the bill to protect that great natural resource, S. 1500.

Now, another editorial has appeared in the Free Press and I request that it too be printed in the RECORD, in order that it might be made available to my colleagues.

The people of Michigan support this effort to protect for the Nation and unborn generations the great abundance of resources in Alaska, both the splendor of that State's beauty and the oil, gas, minerals, and other valuables to be found within the state.

We are speaking of the disposal of public lands, lands paid for out of the General Treasury of the United States and under the control of the people's Government. That their disposition should be determined with a mind toward the greatest benefit for the greatest number, and not for a few wealthy speculators and corporations is altogether proper.

Mr. President, quoting the Free Press, I will "fight for what is at stake in Alaska: The last, wild legacy of creation, the last majestic wilderness Americans will ever see."

The editorial follows:

ALASKA: MICHIGAN CONGRESSMEN SHOULD JOIN THE BATTLE TO SAVE AMERICA'S LAST MAJESTIC WILDERNESS

The most important land conservation issue of our generation, perhaps of our century, will reach the House floor this week. It is the Alaska lands bill, a chance to preserve the most stunningly beautiful wilderness left on this planet.

But the form in which the bill will be passed remains in doubt. Already it has been weakened and stripped down in committee. Congressmen who are too sympathetic to mining and development interests will be fighting hard to reduce the wilderness areas even more and to open to exploitation vast reaches now designated as national park preserves and wildlife refuges. And Rep. Lloyd Meeds, D–Wash., has introduced a completely unacceptable substitute bill which reduces the acreage to be saved, opens the Arctic National Wildlife Range to oil and gas drilling and slashes in half the areas designated as wilderness.

A few Michigan congressmen have worked diligently to preserve Alaska's grandeur for all the American people. Democrats David Bonior, William M. Brodhead and Robert Carr are among the bill's sponsors. Rep. Bonoir has indicated he will offer amendments on the floor to restore lands stripped from the bill in committee and to tighten mining access provisions.

Republican Rep. Guy Vander Jagt was instrumental in setting up the process that led to the selection of lands in the bill; we hope he will wield his great influence with his colleagues to help defeat attempts to weaken it. Another Democrat, John D. Dingell, has worked to expand and strengthen the wildlife refuge system.

There will be other environmental challenges and threats to be met in our time, from the future of nuclear power to the spoilation of the seas and the toxic poisoning of our habitat; but on the single, simple issue of conservation—of saving the land for future generations—nothing will be more important than the Alaska lands bill.

The bill sets aside 100 million acres as parks, national forests, wildlife refuges and wild and scenic rivers. The lines have been drawn to leave the richest oil and mineral deposits open to development, and vast tracts open to logging. This is not a bill that locks up valuable resources; it is the bare minimum necessary to preserve the unique and diverse Alaskan landscape from thoughtless destruction.

The time has come for all the Michigan delegation to recognize and fight for what is at stake in Alaska: the last, wild legacy of Creation, the last majestic wilderness Americans will ever see. We can never create anything as precious or beautiful; but we can destroy it. That must not happen. A strong Alaskan lands bill must be passed.●

DECLARATION ON RELIGIOUS INTOLERANCE

● Mr. JAVITS. Mr. President, since 1946 the task of drafting a declaration on the elimination of all forms of intolerance and discrimination based on religion or belief has been before the United Nations Commission on Human Rights. The declaration is supported by organizations of all religions and a wide political spectrum of nations. The completion of the drafting of such a declaration would do much to remove the negative steps the United Nations has made in recent years respecting the deplorable action to equate Zionism with racism.

Dr. Isaac Lewin of the Agudas Israel World Organization recently addressed the U.N. Commission on Human Rights concerning the drafting of this declaration. I believe this is an issue that merits the attention of Senators, and I ask that Dr. Lewin's statement be printed in the RECORD.

The statement follows:

STATEMENT BY DR. ISAAC LEWIN

The Declaration of the Elimination of all Forms of Intolerance and Discrimination Based on Religion or Belief is long overdue. It is probably the oldest piece of international legislation still on the agenda of the United Nations. It goes back to November 19, 1946. The General Assembly of the U.N. then unanimously adopted a resolution presented by Egypt "that it is in the higher interest of humanity to put an immediate end to religious and so-called racial persecution and discrimination".

I speak on behalf of the Agudas Israel World Organization, which came into being in the year 1912. It has branches in 23 countries and speaks for Orthodox religious Jews all over the world.

We are deeply worried by the delay in the the drafting of the Declaration on the Elimination of Religious Intolerance by the Commission on Human Rights. Not only my organization, but also numerous other non-governmental organizations with consultative status at the U.N. twice officially approached the Commission in this matter. One communication was dated February 3, 1976 (E/CN.4 NGO/188) and was signed by the following organizations: (1) Agudas Israel World Organization, (2) Baptist World Alliance, (3) Co-ordinating Board of Jewish Organizations, (4) Federation for the Respect of Men and Humanity, (5) Friends World Committee for Consultation, (6) International Catholic Child Bureau, (7) In-

ternational Council of Jewish Women, (8) International Federation of Settlement and Neighborhood Centers, (9) International Council on Jewish Social and Welfare Services, (10) International Council on Social Welfare, (11) International League for the Rights of Man, (12) Pan-Pacific and South East Asia Women's Association, (13) World Association of World Federalists, (14) World Conference on Religion and Peace (15) World Federation of Catholic Youth, (16) World Jewish Congress, (17) World Muslim Congress, (18) Zonta International, (19) Christian Peace Conference and (20) International Association for Religious Freedom.

In this joint communication the organizations stated that they "have been deeply concerned about this issue and the possibility of elaborating a declaration and a convention on this subject for many years . . ." They expressed "deep concern about the inability of the Commission (on Human Rights) or other organs of the General Assembly to complete this task". They drew the attention of the Commission to the fact that "in the meantime intolerance and discrimination based on religion or belief continue on most continents and involve many religions and beliefs".

Two years earlier, a communication was submitted by 23 non-governmental organizations in consultative status, dated January 29, 1974 (E/CN.4 NGO/176) and also signed, besides the above mentioned, by the following: (1) Commission of the Churches on International Affairs, (2) International Confederation of Catholic Charities, (3) International Council of Women, (4) International Federation of Business and Professional Women, (5) International Movement for Fraternal Union Among Races and Peoples, (6) Lutheran World Federation, (7) Pax Romana, (8) Women's International League for Peace and Freedom, (9) World Union of Catholic Women's Organizations, (10) World Federation of United Nations Associations, and (11) World Veterans Federation. These organizations and the others mentioned before stated that they "have been watching for years the elaboration of this important instrument for religious freedom." They regretted deeply the delay but said that they were "encouraged by the increasing momentum and the apparent interest of a wide cross-section of Member States."

There is hardly any need to dwell upon the importance of a Declaration on the Elimination of All Forms of Intolerance and Discrimination Based on Religion or Belief. Should I speak about the sufferings of the Jewish people because of religious discrimination? The world has been brutal to us. Religious intolerance with regard to Jews reached unprecedented proportions in the Nazi Holocaust. Nor only was legal discrimination against Jews stipulated in the Nuremberg laws of 1935, but subsequently the murder of six million Jews was perpetrated in cold blood with bestiality which makes us wonder whether mankind still had any conscience when it happened.

Not only to Jews did religious intolerance do unimaginable harm.

In the Pact of Omar of 637 it was stipulated that Christians could not display crosses on churches and in the streets, that they had to shave the front of their heads and wear distinctive dress, and that they could not build houses taller than those of their Moslem neighbors. They had to rise in deference to any Moslem who entered their assemblies.

What happened to the Armenians in 1915, during World War I, is well known. Legal discrimination against them was not considered sufficient. 1,750,000 Armenians were deported from their homes to Syria and Mesopotamia. At this deportation, carried out with terrible barbarity, about 600,000 Armenians died or were massacred.

I could go on with other examples from history, but it seems to me that this is not necessary. The need for a United Nations Declaration against religious intolerance is so obvious that any historical arguments for its issuance would not add anything.

The General Assembly called on the Commission on Human Rights to work on the Draft Declaration with great vigor. In 1976 the General Assembly asked the Commission to "speed up" its work, and in 1977 it asked the Commission "to give the matter the priority necessary to finalize the Draft Declaration".

Indeed, seen on a broad historical background, a declaration on the elimination of religious intolerance and discrimination is not only a rights desideratum. It is rather a vital component of world peace itself. In the presently urgent process of keeping and maintaining world peace, such a declaration could be considered as an important aid.

So what is the difficulty in drafting the declaration? Why does this matter which is really self-understood and so essential for the spiritual development of mankind, encounter obstacles?

We are being told by the Working Group that it tried to reach consensus and that it could not achieve it with regard to Article 1. We regret, of course, the lack of consensus, but we note with some satisfaction that this year the Moslem countries co-operated in the Working Group. We welcome also the initiative of the United States to invite representatives of all the Permanent Missions to the U.N. in New York interested in this subject, to a series of open-ended meetings to look at the whole draft Declaration in the interval before the next session of this Commission. We hope that this initiative will bring some results, so that substantial progress might be achieved.

May I, at this opportunity, mention that as far as consensus for the Declaration is concerned, the history of other important declarations speaks eloquently against such a prerequisite. According to an important source, the ancient book of "Mechilta", a commentary to the second Book of Moses: when God decided to give the world the Ten Commandments, He offered them to various nations, but no consensus on their acceptance was reached. One nation objected strongly to the inclusion of the commandment "you shall not kill". Another nation did not agree to the commandment "you shall not commit adultery". Still another nation felt that it could not accept the commandment "You shall not steal". Finally, the Almighty turned to the Jews and they accepted the document in toto.

Could we not assume that those nations who originally did not accept the Ten Commandments, ultimately were satisfied with the document brought by Moses from Mount Sinai?

And why do I have to go so far back? I worked myself in the United Nations, thirty years ago, in the Commission on Human Rights under the chairmanship of Mrs. Eleanor Roosevelt, on the preparation of the Universal Declaration of Human Rights. Some articles of the Universal Declaration did not meet with the consensus of all members. In fact, the word "religion" was not included in the Drafting Committee's text. Only "freedom of thought and conscience" was mentioned. I fought at that time for the specific mention of religion in the Universal Declaration to be protected. Some delegations proposed to insert limitations of the freedom of religion if it would be mentioned. The problem was solved by a vote; the limitations of freedom of religion were defeated by ten votes to five, with one abstention. Religion entered the Universal Declaration of Human Rights not only in the opening statement that "everyone has the right to freedom of thought, conscience and religion", but also in the subsequent clear stipulation that this right includes the "freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance". I do not think that anyone regrets today that this was stated in the Universal Declaration of Human Rights.

How wonderful would it be if this Commission would draft a Declaration against religious intolerance, so that the General Assembly could this year, on the occasion of the 30th anniversary of the Universal Declaration of Human Rights, proclaim the long overdue Declaration on the Elimination of All Forms of Intolerance and Discrimination Based on Religion or Belief!

But there is a popular saying: "Better to do something later than never". There is still time to prepare the Declaration on the Elimination of Religious Intolerance which is so anxiously expected by mankind.

I would eliminate the whole Art. 1 which caused so much trouble and dissension. This Article either repeats the first sentence of Art. 18 of the Universal Declaration of Human Rights, which is not necessary, or it enters into the definition of the words "religion" and "belief", which opens the Pandora box. The Declaration on the Elimination of All Forms of Racial Discrimination of November 20, 1963, could serve here as an excellent example. It did not explain the term "race" at all, and we know full well that the concept of race is subject to various scientific interpretations. Similar procedures could be extremely helpful in producing the sister declaration on the elimination of all forms of religious intolerance. Let us not enter into semantics. "Religion" and "belief" covers everything.

When I addressed this Commission on February 14, 1974, on the same subject, I took the liberty of proposing the text of a Declaration consisting of 16 articles. Today I would make it shorter and reduce it to ten articles including two taken from the Netherlands and Sweden working paper. The Preamble would of course remain as approved by the Commission two years ago on the basis of a complete consensus.

The whole draft would read as follows:

Art. 1. Discrimination between human beings on the grounds of their religion or belief is a denial of the principles of the Charter of the United Nations, a violation of the human rights proclaimed in the Universal Declaration of Human Rights and an obstacle to friendly and peaceful relations among nations.

Art. 2. No individual or group shall be subjected on the grounds of religion or belief to any discrimination in the exercise or enjoyment of the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights.

Art. 3. No State shall make or tolerate discrimination based on religion or belief in the fields of civil rights and access to citizenship, education employment, occupation and housing.

Art. 4. Every person and every group or community has the right to manifest their religion or belief in public or in private, without being subjected to any discrimination on the grounds of religion or belief. This right includes in particular: 1. Freedom to worship, to assemble, to form religious congregations and to establish and maintain places of worship or assembly; 2. Freedom to teach, to disseminate, and to learn their religion or belief and also its sacred languages or traditions; 3. Freedom to practice their religion or belief by establishing and maintaining educational and charitable institutions; 4. Freedom to observe the rites and customs of their religion or belief, including dietary practices.

Art. 5. Religious congregations have the right to train ministers and teachers and to have contacts with communities and institutions belonging to the same religion or belief both within the country and abroad.

Art. 6. Recognition shall be given by law to the prescriptions of each religion or belief relating to holy days and days of rest, and all discrimination in this regard between persons of different religions or beliefs shall be prohibited.

Art. 7. The State shall give legal protection to places of worship, cemeteries and ritual objects, and give free access to religious shrines and holy places to visitors and pilgrims.

Art. 8. Parents or legal guardians have the right to decide upon the religious education of minor children. In the case of a child who has been deprived of its parents, the expressed or presumed wish of the parents shall be duly taken into account.

Art. 9. Recognition shall be given by law to the prescriptions of the religion or belief concerning the burial of a deceased person.

Art. 10. All incitement to hatred or acts of violence, whether by individuals or organizations, against any group of persons belonging to a religious community shall be punishable.

In conclusion let me say that I sincerely hope that this Declaration will not become the stepchild of the human rights agenda. An issue which has plagued man for thousands of years cannot wait any longer without undue harm.

Such complacency would fail to take into account the current developing climate of new wars and civil war confrontations with their special brand of emotionalism which exploits every possible hatred, including the element of religious intolerance.

Let us expedite this Declaration as a major step in the promotion of peace, for the cause of peace, on behalf of peace and as an instrument of peace.●

SOIL AND WATER CONSERVATION

● Mr. HUDDLESTON. Mr. President, last November President Carter signed into law the Soil and Water Resources Conservation Act of 1977. This law culminates several years of effective bipartisan effort in both Houses of Congress, an effort which was intensified after President Ford's untimely veto of similar legislation in 1976.

Kenneth Cook, an analyst in the Food and Agriculture Section of the Congressional Research Service, has summarized the act, its history and its potential in the March–April issue of the Journal of Soil and Water Conservation. He concludes that because of this law—

the next round of legislative activity will be based on much sounder information about the nation's agricultural resource base than is presently available.

As one who worked to secure this legislation, I agree. This law will aid Congress and the Executive in making rational decisions by providing adequate information on conservation problems and the effectiveness of Federal programs for dealing with them.

Mr. President, I ask that Mr. Cook's excellent analysis be inserted in the RECORD.

The article follows:

GOOD TIMES FOR SOIL AND WATER CONSERVATION?

(By Kenneth A. Cook)

The new farm bill occupied center stage in agricultural policy discussions during the first session of the 95th Congress. In fact, the bill all but overshadowed the most important attempt in decades to revitalize federal efforts to conserve America's soil and water resources. A similar undertaking in the previous Congress had ended with President Ford's pocket veto of the Agricultural Resources Conservation Act of 1976, but the new administration showed every sign of receiving such legislation favorably. President Carter had successfully courted the environmental vote during the campaign, and one of his early actions was to restore $190 million to the Agricultural Conservation Program pared from the 1978 budget by President Ford.

The course of events in recent years provided further impetus for agricultural conservation legislation. With the full-production policy of the early seventies, farmers were encouraged to plant fencerow to fencerow. The coincidence of drought or floods in many parts of the country resulted in a severe deterioration of agricultural resources. In 1974 Iowa suffered soil erosion that was termed the worst in about a quarter century. Two years of drought in the Great Plains exacerbated that region's erosion problems, and the Soil Conservation Service (SCS) reported damage in 1976–1977 as the most extensive since the 1950s. In the spring of 1977 headlines in national newspapers warned of another dust bowl and detailed the plight of individual farmers.[1]

However exaggerated some of them may have been, the effect of these reports was not lost on official Washington. "Given the simple fact that the majority of our nation's land is privately owned," said a report by the House of Representatives in 1977, "there is real need for better, more complete information concerning the overall condition of the soil, a better understanding of the nature and strength of competing demands for available land, and an evaluation of the effects of current agricultural practices applied to the land. . . ."

The contradiction between full production to meet global food needs and the conservation of agricultural resources held the attention of a wide variety of interest groups by 1977. The arena of agricultural policy expanded to include consumer, environmental, and hunger prevention organizations, many of which testified before Congress in support of conservation legislation.

INTEREST BRINGS CRITICISM

The food crisis of 1974–1975 brought U.S. agricultural policy under close public scrutiny. Federal soil and water conservation activities were not excepted. As the House Agriculture Committee pointed out in 1977: "With respect to federal moneys presently expended for soil and water conservation, questions have begun to arise as to what the government is purchasing with the money; whether the expenditures have been consistent with needed conservation practices and have resulted in improving the condition of the land; and whether the expenditures have taken into account the changing uses of the land."

Some of the most difficult questions were raised within government itself. In February 1977 the General Accounting Office (GAO), Congress' watchdog agency, released a report ("To Protect Tomorrow's Food Supply, Soil Conservation Needs Priority Attention") critical of three Department of Agriculture (USDA) conservation programs. GAO characterized both the Great Plains and Agricultural Conservation Programs as spending too much money on production-oriented practices at the expense of critical conservation needs. Congress responded with an amendment to the new farm law (see November-December 1977 JSWC, page 297). The Conservation Operations Program of the Soil Conservation Service (SCS) was criticized on several counts. GAO charged that SCS was devoting too much effort to the preparation of elaborate conservation plans for individual farms. "Many of the plans GAO reviewed were outdated, forgotten by the farmer, or just not carried out or used in making farming decisions," said the report. After visiting 283 farms in eight states, GAO concluded that soil loss on cooperating farms was not consistently less than on noncooperating farms nearby.

USDA generally agreed with GAO's findings, even though department officials have privately criticized the study. Still, the report received a good deal of attention in the national press, the high point (or low point, depending on one's perspective) coming in April 1977 when Science published Luther Carter's article "Soil Erosion: The Problem Persists Despite the Billions Spent on It." The late Senator Hubert Humphrey had the article reprinted in the *Congressional Record* in May. Drawing heavily on the GAO study, Carter made a strong pitch for linking conservation practices to eligibility for USDA commodity programs. This idea has surfaced from time to time, but has evoked little interest in Congress to date.

Most of the criticism underscored the need for a close look at federal conservation programs, a need Congress addressed in the new soil and water resource law.

RESOURCE BILL BECOMES LAW

In this atmosphere Senator Walter Huddleston reintroduced a slightly modified version of the 1976 bill in January 1977. Most legislative groundwork had been done in the previous Congress, and by March the Land Water Resources Conservation Act of 1977 (S. 106) had been reported with few changes by the Agriculture Committee to the full Senate. The bill passed by voice vote and without debate on March 23.

But by April, when the House Agriculture Committee began its consideration of a similar bill introduced by Representative de la Garza (H.R. 75), the Carter Administration had raised objections reminiscent of President Ford's. First, USDA proposed to restrict the bill to agricultural programs within its conservation activities. The House committee rejected these modifications outright and ultimately even expanded the scope of the legislation.

A second objection became critical. This time it came from the Department of Justice. One section of the bill [7(a)] would have required the President to submit to Congress a policy statement to be used in formulating his budget requests for SCS. The same section further provided that either could reject the policy statement by majority vote. In addition, if both houses adopted a modified statement, again by a simple majority, the language of the bill suggested Congress' version would have to be used to administer ongoing programs and to formulate the president's budget requests.

In its review of the section the Justice Department flatly stated these provisions "would evade the presidential veto, thereby shifting significantly the constitutional balance of power between the executive branches. . . ." Faced with a constitutional issue likely to bring a presidential veto, the committee opted to delete the disputed provisions, and H.R. 75 passed the House in June.

Senate sponsors eventually decided neither the House nor the administration could be moved on the constitutional question, so the

[1] Disasters, of course, make more salable news than status quo or improved conditions. "New 'Dust Bowl' Peril Raised in Wheat Belt" was the ominous headline of a half-column story on page 6 of the *New York Times* on March 6, 1977. Nine days later the *Times* buried on page 30 a three-inch wire story entitled "Wind Erosion on Plains Reported Down This Year."

troublesome language was scrapped from the Senate version as well. The House, in turn, compromised on the sunset provision of the act, extending it from 1981 to 1985. Other differences were reconciled informally in the Fall of 1977, though some strong opposition from the Office of Management and the Budget (OMB) prompted last minute changes in both houses. The Soil and Water Resources Conservation Act of 1977 finally reached the president in early November and was signed without fanfare.

PROVISIONS OF THE NEW LAW

Public Law 95–192 has three major components that give it real potential to fill some gaps in our information on agricultural resources. Section 5 of the law charges the secretary of agriculture with responsibility to "continuously appraise" the resource base. The section specifically requires collection of data on traditional concerns: soil and water quality, quantity, and use. It also requires data on other pressing, if controversial, blind spots as well. Included are "data on current federal and state laws, policies, programs, rights, regulations, ownerships, and their trends and other considerations relating to the use, development, and conservation of soil, water, and related resources; data on the costs and benefits of alternative soil and water conservation practices; data on alternative irrigation techniques regarding their costs, benefits, and impact on soil and water conservation, crop production, and environmental factors. . . ."

Part and parcel of the appraisal concept is the synthesis of data gathered by other federal, state, and local agencies to avoid duplication of efforts. Section 5 thus directs the secretary to establish an "integrated system" for achieving this goal. Various subsections stress the requirement of public participation, with prominence given to cooperation with conservation districts, state agencies, and citizen groups. Two appraisal reports are required during the lifetime of the act, the first due at the end of 1977, the second in 1984.

Information gathered by the appraisal mechanism will form the basis for the new National Soil and Water Conservation Program authorized in Section 6. The purpose of the program is to guide the activities of SCS and to "set forth the direction for future soil and water conservation efforts of the United States Department of Agriculture." No less than eight broad tasks are designated for the program. These range from "analysis of soil, water, and related resource problems" to investigation of use of organic waste "to improve soil tilth and fertility." Section 6 also mandates the evaluation of federal, state, and local programs, one of the most important provisions of the law. The first plan for the program will have to be completed by December 1979, then updated in 1984.

The final component is the requirement for a report containing the first appraisal and program plan and a "detailed statement of policy" regarding USDA conservation activities. The initial report is due on Capitol Hill the first day Congress convenes in 1980. The same section (7) requires the secretary of agriculture to submit with each budget request a report detailing the progress of the new program, data from the appraisal, and any recommendations for new legislation that may be needed.

Depending on which cost estimate is used, the bill will probably add $11.6 to $14.4 million each year to the $500 million annual budget for USDA conservation programs. Unless extended or replaced by Congress, Public Law 95–192 expires on December 31, 1985.

IMPLEMENTATION OF THE LAW

With the new law on the books just a few months, it's too early to judge its future. Some of the resource assessment activities were underway months before the law reached the president's desk, while other aspects of the legislation are being approached with caution.

Throughout the legislative process, proponents of the bill stressed it was not a land use measure. The sensitivity of this issue is acutely evident in Washington. For example, SCS apparently will simply cooperate with the new Economics, Statistics and Cooperative Service (formerly the Economic Research Service) in studies the latter has underway to obtain data on ownership (required by Section 5). Glenn Loomis with SCS in Washington emphasizes that participation will be sought from grass-roots organizations, such as conservation districts, as well as from national organizations, such as the Sierra Club and National Association of Conservation Districts.

Loomis also describes the program evaluation process now underway as "an integral part of the success" of the new law. An oversight investigation initiated by the Senate Agriculture Committee in 1976 is still examining USDA's conservation activities. An initial report has been submitted by a departmental task force. Between the new law and this investigation (the first ever), we should learn a lot in the next five years about how effectively the federal government has spent some $15 billion on soil and water conservation programs since 1936.

Agricultural resource conservation issues enjoy a certain vogue now in Washington. The Soil and Water Resources Conservation Act of 1977 and the changes embodied in the new farm law (see box) are a measure of the Congress' response. Not everyone is satisfied with the legislation. Some consider it too strong, others too weak. But clearly, the next round of legislative activity will be based on much sounder information about the nation's agricultural resource base than is presently available.

It is interesting to speculate on the direction Congress might take.●

UNITED STATES-UNITED KINGDOM EMPLOYMENT CONFERENCE

● Mrs. HUMPHREY. Mr. President, youth unemployment continues to be one of this Nation's most critical economic and social problems. It continues to sap the strength of our young and deprive them of the opportunity to fulfill their hopes and dreams. It breeds urban decay and there is no denying the economically, socially, and politically destabilizing effect when millions of young people have no positive role to play in society.

Last week, in recognition of the severity of this problem and its international proportions, the United States and United Kingdom held a Youth Employment Conference to discuss ways to attack it and reverse the trends which are creating it.

Mr. Timothy Barnicle, a member of my staff, spoke before the Conference and discussed the need to develop new ways to wipe out youth unemployment. His message was clear. Despite all our efforts to reach this goal, youth unemployment has proved so intractable that its solution will require significant changes in the nature of American economic policy, including manpower policy and the way in which those policies are designed.

We must start at the beginning and try something new. That was Hubert's idea as he worked to develop the Full Employment and Balanced Growth Act. The message Mr. Barnicle delivered to the Conference was forthright: Humphrey-Hawkins is not a panacea, but it is a new beginning which includes a specific restatement of our national economic goals and policies to achieve them, and a new commitment to achieve them.

Mr. President, I ask that the text of Mr. Barnicle's remarks before the Conference be printed in the RECORD.

The text follows:

REMARKS OF TIM BARNICLE: UNITED STATES-UNITED KINGDOM YOUTH EMPLOYMENT CONFERENCE

I am pleased to have the opportunity to participate in this exchange of experience and ideas on how to do a better job of providing the young people of our nations with training and employment.

In April, despite three years of economic recovery in the United States, teenage unemployment (16–19) was 17%, and young adult (20–24) unemployment was stuck at 10%. For those who are ethnic minorities, women, residents of poverty areas or school dropouts, the picture was much worse. Last year, for example, black teenage unemployment officially average 41.1%.

Today in the United States nearly 3 million young people (16–24) are unsuccessfully looking for work . . . nearly one-half of all the unemployed people in our country.

These cold statistics, the broken and disrupted young lives they represent, and this conference itself, all indicate a problem that has reached crisis proportions. And, despite the length of the present economic recovery in America, this problem continues to plague our economy and dash the hopes and dreams of millions of young men and women and their parents.

Unemployment at any age can blight a life. Lost income and opportunities are only part of the cost. It is hard to weigh the burden that enforced idleness puts on family or self-esteem. And for young people, the first missed opportunity, the year or two of waiting, the feigned lethargy that hides an eroding self-confidence—all these can sear a young person for life. Each of us has witnessed what unemployment does to the young—the feeling of alienation, apathy and anger that accompany their deep frustration.

I don't agree with those who imply that this problem can be solved by detached professional analysis, judgment, and program development alone. Certainly this is important. But, without graphic and dramatic presentation of the problem it is unlikely that we will ever build the public support for the type and magnitude of effort that the solution to this problem requires.

Effective programs take time to develop. And while we are working on the problem, we must tell our young people loudly and clearly that, "We see you, we know how tough it is, we are working hard to be of help." In short, we must let them know we care. That too, as I see it, is an important objective of this conference.

I have been asked to make a brief presentation of the philosophy and motivation of the Full Employment and Balanced Growth Act of 1978, the so-called Humphrey-Hawkins Bill. I also will briefly present my views on how this legislation will impact on youth employment in the United States.

For years Hubert Humphrey, Augustus Hawkins and many of their colleagues in Congress argued, cajoled, conspired, intro-

duced legislation and voted for policies and programs to reduce unemployment.

Despite their efforts, high unemployment remains a recurring, social and economic problem in America. This experience for over three decades in the struggle for full employment taught them some lessons.

First, while supportive fiscal and monetary policies are vital ingredients in a full employment strategy, they are, in and of themselves, insufficient to reach the full employment, stable price and steady growth objectives that we must achieve.

Second, uncoordinated, unfocused, short-term, on-again, off-again economic policies, without specific goals and timetables, are inadequate to the needs of a complex modern economy and a business community that requires more predictability on the part of the government.

Third, the intent of Congress and the President can be frustrated inadvertently and by design, unless all of our economic programs and policies, including those of the Federal Reserve, are moving together, toward the same objectives, at the same time.

Fourth, the experience of the last recession, with simultaneous high inflation and high unemployment, indicates, that traditional approaches to solving our economic problems are insufficient and that any simplistic inflation-unemployment trade-off theory does not fully explain how our economy operates in today's world.

These lessons led them to the conclusion that something new must be tried. This new beginning, they believed, must include a new and more specific restatement of national economic goals and policies to achieve them, new principles, new commitments to these goals, and a new process through which to address them.

The Humphrey-Hawkins Bill, reflecting this shared conclusion, is thus primarily a major reform of the national economic policy planning process in our country designed to make the achievement of full employment, without aggravating inflation, the central objective of national economic policy.

More specifically, the Humphrey-Hawkins Bill would:

Establish as national policy the objective of reducing unemployment to 4% within not more than five years and require that all economic policy be designed to achieve this ambitious, but reachable goal;

Recognize, in law, that unemployment and inflation feed upon each other, that methods must be used to reach our employment goal which do not increase inflation and methods used to reduce inflation that do not increase unemployment;

Require much closer coordination of all national economic policies, including those of the Federal Reserve, directed toward achieving specific numerical economic policy goals;

Place primary emphasis on achieving our employment goals by encouraging expansion of private sector jobs;

Elevate the priority of price stability, for the first time in law, to a major objective of economic policy and require that specific inflation goals and policies to achieve them be presented to Congress by the President each year;

Require that the Federal Budget be directed toward the achievement of the economic goals established under the procedures in the bill;

Require the President to establish additional direct job-creating programs to fill any gap that may exist between the goals established and the actual performance of the economy.

The supporters of the bill believe it is an ambitious, achievable and binding commitment by our government to move our economy as quickly as possible to full employment. The bill is as tough as is reasonable to require in a measure designed to be a long-term guide to national economic policy making. We also believe it will create the political climate in which the creative initiatives essential to fulfilling these commitments will be undertaken.

We realize that Humphrey-Hawkins is not a miracle cure. But, we believe that it does provide our government with a rational procedure for establishing national economic goals and for developing a consistent and comprehensive set of policies and programs to achieve them.

The Humphrey-Hawkins Bill has the potential to help ameliorate the youth employment problem in several ways.

First, to the extent that Humphrey-Hawkins succeeds in reducing overall unemployment, it will inevitably reduce unemployment among young people. While an effective full empoyment policy, in and of itself, may not solve the problem of youth unemployment, there is little possibility of solving it without such a policy. Youth unemployment must be attacked within the context of a national full employment policy. Humphrey-Hawkins provides that context.

Second, the youth employment problem will not be solved by macro-economic policies alone, although it certainly can be significantly reduced by such policies. Since the problem is fundamentally structural, its solution will require a more direct targeted approach. Secretary of Labor, Ray Marshal, recently told Congress that even if overall unemployment in the U.S. was reduced to 4.8% in the early 1980's unemployment would still be 11% among white teenagers and about 22% for minority teenagers unless important changes in manpower policies and programs were made.

Humphrey-Hawkins recognizes this fact in law. It provides that American economic policy reflect the fact that targeted employment programs, far from being the unwanted step-children of economic policy, are essential to the achievement of our nation's economic goals.

Third, the Humphrey-Hawkins Bill now before the Senate requires that specific objectives for youth employment be proposed to Congress by the President each year as part of his Economic Report to the Congress. These objectives must be accompanied by the programs and policies which the President feels are necessary to achieve them. The objectives proposed must be consistent with eliminating the differential that exists between youth unemployment and unemployment rates among more fortunate groups.

Fourth, earlier versions of this bill included a rather specific Youth Employment Program proposal and required the President to submit such a program to Congress for authorization within 90 days. When it became apparent that the Humphrey-Hawkins Bill would not pass in 1976, Senator Humphrey introduced an expanded version of that section as separate legislation.

Within six months, and with modifications and contributions by many people in the Carter Administration and in Congress, a major youth employment demonstration program was signed into law. Given this development, Humphrey-Hawkins was revised and now calls on the President to improve and expand our current youth employment programs.

To conclude my presentation, I would like to read the conclusion of Senator Hubert Humphrey's statement to the OECD Youth Employment Conference last December in Paris. Unfortunately, his illness prevented him from delivering it in person. But, I can assure you that these sentiments were very much on his mind.

"I would suggest that we must broaden our thinking and put the current youth employment crisis into perspective."

"We must recognize that the demographic causes of the current crisis will be recurring and producing new demands on us in the decades ahead, as this wave of young people mature and continue through life."

"We must be fully aware, as we look to the future, of the extraordinary requirements that this generation will place on each of our nations for years to come—housing, education for their children, health care as they grow older, and income for their retirement years, for example."

"We must develop the capacity in the United States, and perhaps in your countries as well, to anticipate these demands and respond effectively to them."

"And, unless we do all of this, we will be condemning an entire generation of our children and fellow citizens to government by crisis, to government that will short-change them throughout their lives."

"My first hope for the Conference, is that it will help us all to do better in meeting the job needs of this generation. But, more fundamentally, I hope that it will also alert our governments to the unique requirements that this generation, throughout their lifetimes, will place upon our governments."●

UNITED STATES-CANADIAN AIR POLLUTION TREATY

● Mr. MOYNIHAN. Mr. President, this resolution, which was introduced by the junior Senator from Montana yesterday, calls for a United States-Canadian Air Pollution Treaty. It is a declaration of the Senate's recognition of a serious environmental problem. As we all know, air pollution does not respect political boundaries; it follows the direction of air mass movements. Resolution 465 urges international cooperation in solving an international problem, the only way such a problem can be solved.

In my own State of New York, there is a serious sulfate pollution problem. Sulfate air pollution has been blamed for increased mortality and morbidity among the State's urban population and for reduced fish populations in New York's most scenic lakes. Most of the sulfate is not generated in New York; it is borne by the air from States to the west and from Canada to the northwest.

Dr. A. P. Altschuller, of the U.S. Environmental Protection Agency, in a 1976 article in the Journal of the Air Pollution Control Association, presented a detailed analysis of sulfate concentrations in several regions of the United States. Dr. Altschuller concluded that sulfate concentrations are two or more times higher in the East than in the West and that—

> At least half of the sulfate concentrations measured at eastern urban sites can be attributed to sulfur oxide emissions being transformed to sulfate during transport from adjacent regions.

Dr. Altschuller has also shown that nonurban areas in the East have sulfate

concentrations that are higher than observed concentrations in urban areas west of the Mississippi River. Further, all but a small portion of sulfates in rural areas can be attributed to sulfur oxide generated in other regions.

Where do New York's sulfates originate? Researchers at the New York Department of Environmental Conservation have demonstrated conclusively that a portion of the sulfate concentrations in New York are the result of sulfur oxide emissions in an area north of the Ohio River, a region that includes the southern tier of Ontario.

The researchers demonstrated a striking relationship between the origin of air masses and sulfate concentrations. When air masses originated from the North, the average sulfate concentration at the three sites was 1.9 micrograms per cubic meter. When the air trajectories shifted to the Northwest bringing air from the industrialized areas of Ohio, Pennsylvania, Michigan, and southern Canada, the average sulfate concentration was 23.2 micrograms per cubic meter, a twelvefold increase. Ironically, this long-range transport of pollutants is facilitated by the use of tall exhaust stacks to protect the originating areas from the local impact of sulfur oxide and other pollutants. The result, unintended to be sure, of local air quality control is increased pollution, of a serious nature, in a far-removed locale.

The health effects of sulfate pollution are not well understood, because of the large number of variables which affect human morbidity and mortality. EPA ("Sulfate Research Approach," February 1977) has conceded, however, that studies to date indicate a higher association of respiratory ailments with sulfates than with sulfur dioxide. Further, the EPA observed that—

> In a study of cardiopulmonary patients in the New York Metropolitan area, the strongest and most consistent pollution association was found with sulfates.

A fairly recent phenomenon is acid rain and snow, literally precipitation that has a high acid content. Sulfate is the major culprit, for the most important acid in the rain or snow is sulfuric acid. Acid rain and snow are believed to be the cause of an observed rise in acidity in lakes of the Adirondack region (The Conservationist, May–June 1977). The increased acidity is suspected of inhibiting fish reproduction, resulting in decreased fish populations.

The solution of New York's sulfate pollution problem, a serious environmental concern, lies outside its borders. We must look toward the generators of the precursor pollutants—sulfur oxides; this includes emissions in Canada. I am pleased, therefore, to be a cosponsor of Resolution 465.●

FARM WOMEN

● Mr. ANDERSON. Mr. President, American farm wives are crucial to the continuing vitality of the family farm. Working in partnership with their husbands, farm women not only keep house and raise families, but also drive tractors, care for livestock, and otherwise contribute to the economic productivity of the farm.

Though farm women have always worked hard, they have not always received the credit they deserve. Recently, their role in shaping farm policy has begun to change.

Anyone who has been in Washington during the last 4 months knows that many of the farm lobbyists have been farm women. Though rural women do not crusade for women's liberation, they have begun to become involved in organizing and working for changes to insure the survival of the family farm. Farm women have organized to work for farm legislation they support, forming groups like American Agri Women and Women Involved in Farm Economics (WIFE).

Mr. President, as Senate sponsor of the Homemaker Retirement Act, S. 1783, which would enable all farm wives and other homemakers to set up individual retirement accounts to prepare for their later years, I have a continuing interest in the economic contribution of farm wives. My legislation would insure that farm women not be left financially "high and dry" after retirement from years of hard work on the farm. S. 1783 would allow them to contribute up to $1,500 annually toward a personal retirement fund.

A recent article in the Co-Op Country News published by Farmer's Union Publishing Co. in St. Paul, Minn., addresses the changing role of farm women. I ask that the article be printed in the RECORD.

The article follows:

NEW ROLE EMERGES FOR FARM WOMEN

Today, the philosophy of the modern women's movement has worked its way into the mainstream of everyday life. Most farm women will say it's always been that way for them.

So, any discussion with them about the women's movement will establish two facts quickly—(1) it's different for farm women and (2) don't even call it that in rural areas.

"Farm women have been liberated forever," noted Sister Thomas More Bertels of Manitowoc, Wisconsin, a founder of the American Agri Women organization and a well known spokesman for agriculture. The fact is most farm women back away from the term "women's liberation."

"I think," said Sister Thomas More, "farm women have associated women's liberation with the breakdown of the family, which is nilsville for the farm—it's based on cohesion of the family."

Farm women add that "women's lib" often connotates "anti-men, anti-husband"—something a woman in partnership with her husband can't quite swallow.

Fine, but this doesn't explain how farm women have been liberated forever. Indeeed, in some cases farm women share the same difficulties with the traditional roles as do urban women. But, in more cases, farm wives and husbands are partners—sharing the work in the fields, pastures and stock pens and sharing decisions in dealing with bankers to get huge loans to keep a modern farm running. That makes them liberated, and then some.

Yet, though farm women have not taken on the cause of women's liberation, that doesn't mean all's been quiet on the farm. Active farm women have had a farm movement all their own going the past few years. They're speaking out plenty.

They're speaking out about issues that affect the family farm. They want to assure the survival of the family farm as a way of life. They consider it threatened by hard times—low prices and high debts. They believe that as women they can promote unity among farmers, helping them to become more effective in fighting for favorable farm policy legislation.

They're speaking out, too, because they're at a point where they want to be seen not only as actively involved in the farm operation but also as highly knowledgeable about it. They're proclaiming their role in agriculture because changing attitudes have swept away barriers to them speaking out. Active farm women are making the most of it.

Dr. Fran Hill, a political scientist at the University of Texas, has studied the changing roles of farm women as part of her research for a book on the subject. "It seems that during the 50's women worked hard on the farm, as they always have," Dr. Hill said, "but the goal then was to make suburban wives out of them. Today, nobody worries whether it's feminine to drive a tractor.

"It's okay now for farm women to say they know a lot about farming," Dr. Hill continued. "And they don't fear social censure as much any more. They can still be good women and speak their minds at a meeting. The cultural barriers to women speaking are eroding."

Not only is her self image changing, said Dr. Hill, "Men are making progress in the modern world too, and they're proud of their wives."

The upshot is that farm women are gaining attention as spokesmen and a new source of leadership for agriculture. Representatives of two of the newer farm women's organizations, WIFE and American Agri Women, were among those consulted recently by the White House.

Congressional staffers also note that during the height of the farm strike women made up half the delegations making the rounds on Capitol Hill. They were impressed with what the women had to say.

It's no wonder. The female spokesmen are known for doing their homework and research. They come to congressmen armed with hard, solid facts. They offer various views and why.

Another point which observers have been quick to note: While the new farm women spokesmen come from many organizations which have different philosophies, they're not interested in arguing with each other. They're interested in working on common ground where they agree.

The most active women speaking out today are those beyond the heavy duties of child rearing. But they are not people, for the most part, who are economically well set.

"I got active because I could see our days are numbered," explained Helen Boyd, a national officer of the year-old WIFE (Women Involved in Farm Economics). "I could see the losses, I knew we were in trouble."

Although the Boyds have an alternative to farming, and could return to their jobs in Carpenter, Wyoming, Mrs. Boyd said, "My husband's been a changed man working on the farm. It's for him and the kids, I'm fighting."

"The men are physically confined on the farm," said Joan Adams, a wheat grower from Buffalo, Oklahoma, and national coordinator of the four-year-old American Agri Women. "They do not have the time to study and read. And if something comes up, our husbands might be starting spring field work, or tending the cattle.

"For this reason," she said, "the women have more flexibility to become involved in reading, attending meetings and traveling to testify at hearings."

There's also a growing involvement among the older organizations where farm women

have been involved for many years in the more traditional roles of education and promotion.

"I think the farm wife should get more involved," said Bonnie Erickson, of Centerville, South Dakota, past president of National Porkettes. "There are fewer of us, we have bigger operations than Grandpa did, more money invested."

Mrs. Erickson pointed to such factors as easier to handle equipment and tractor cabs that reduce some of the physical beating from the elements. She also speculated that for some women who are not inclined to work outside, getting active in farm organizations is a way to be involved.

The women's role has long been recognized by all the major farm organizations and commodity groups. While the women have played important roles in education and promotion, now they are becoming more involved in issues, particularly estate laws and health care.

All isn't rosy by any means. For some women there is a growing frustration with their role in the various farm organizations, noted Dr. Hill. "They get to just below the policy making level, but there's still a level of offices denied to women."

She described one woman she's interviewed for her book. "She had done the educational and public relations work, now she wanted to continue growing and become vice president. The nominating committee went to her husband and said maybe she could be secretary in three years, but to forget about being vice president."

Yet, Dr. Hill added, these policy barriers may yet be penetrated. She recently watched a farm organization elect a woman to the national board at their annual meeting. When the nominating committee named a slate of men, the ladies nominated a well-qualified woman from the floor. They campaigned for her and she was elected.

"She came up to me afterwards," recalled Dr. Hill, "and said they voted for her because they were ashamed not to." Dr. Hill, added that she heard no sour grapes among the men, and in fact felt the organization was rather proud of itself. "Now that somebody has cracked that," she said, "I heard a lot of younger women say maybe they'll run now."

For many women the solution to that "policy threshold" has been to organize parallel organizations. Said Joan Adams, national coordinator of American Agri Women: "They have women's auxiliaries, but the women don't have the authority to go ahead and act. We don't have to put our program together and get it approved. We make the policy decisions and we are free to act."

American Agri Women has lobbied on the farm bill, farm-labor laws, amendments to the Federal Insecticide, Fungicide and Rodenticide Act, and for favorable federal grain inspection fees.

The state organization affiliated with Agri Women work on the national issues and within their states. The Oregon Women for Agriculture, for example, have successfully fought attempts to ban stubble burning of grass seed fields—a necessary practice to get the plants to produce seed the next year.

Similarly, members of WIFE are taking on the tough issues in agriculture: Freight rates for landlocked grain farmers, changes in the 1902 Reclamation Act, consistency in chemical regulations, beef imports.

"Women, when they come to a stone wall don't know enough to know it's a stone wall," said Mrs. Adams. "A man's ego is such that if someone turns him down, he's not likely to come back again. A woman in working with her children learns to back away and try it again a different way."●

FOREIGN RELATIONS COMMITTEE: DIRECT SPENDING ALLOCATIONS

● Mr. SPARKMAN. Mr. President, in compliance with section 302(b) of the Congressional Budget Act of 1974, I am submitting on behalf of the Committee on Foreign Relations its report on direct spending under the committee's jurisdiction as provided by the first concurrent resolution on the budget for fiscal year 1979.

I ask that the report be printed in the RECORD.

The report follows:

Committee on Foreign Relations report to the Senate pursuant to Sec. 302(b) of the Congressional Budget Act: fiscal year 1979 allocation

[Dollars in thousands]

	Budget authority	Outlays
Subcommittee/budget function/program		
Subcommittee on Foreign Assistance:		
International Affairs (150):		
Advances, foreign military sales	$12,200,000	$10,500,000
Liquidation, foreign military sales fund	0	−2,000
Technical assistance trust fund	4,000	4,000
Peace Corps trust fund	245	245
Subtotal	12,204,245	10,502,245
Subcommittee on International Operations:		
International Affairs (150):		
Payment to Foreign Service Retirement Fund	92,300	92,300
International Center, Washington, D.C.	2,346	2,346
Department of State Trust Fund	740	740
Gifts and bequests, National Commission of Educational, Scientific, and Cultural Cooperation	25	20
Department of Transportation Trust Fund	11,510	11,510
International Communications Agency Trust Fund	331	337
Subtotal	107,252	107,253
Commerce and Housing Credit (370):		
Department of Commerce Trust Fund	4,800	6,000
Income Security (600):		
Foreign Service Retirement and Disability Fund	207,817	117,430
Total allocation to Senate Foreign Relations Committee	12,524,114	10,732,928

●

TURMOIL IN PERU

● Mr. ABOUREZK. Mr. President, several days ago the New York Times printed an article which did an excellent job of portraying the current turmoil in Peru. The article went on to identify the link between the developments in that country and the implementation of U.S. foreign economic policy. The rioting and related deaths in Peru have stemmed from the government's imposition of certain austerity measures designed to bring the Peruvian economy into line with criteria established by a group of creditors led by the International Monetary Fund.

As the article points out, Peru is caught in a "Catch 22" situation. The credit that Peru needs will not be forthcoming unless the IMF determines that it has "cooperated" by taking certain steps. These steps required by the IMF, however, have led to the unrest and violence within the country which now seriously imperils the success of the planned transition to democratic, civilian rule.

Mr. President, the events now unfolding in Peru underline the need for the human rights amendment that I and Senators HATFIELD, BAYH, RIEGLE, ANDERSON, MCGOVERN, PROXMIRE, WEICKER, and LEAHY, intend to offer to S. 2152, the "Witteveen Facility" authorization bill, when it comes to the floor. The IMF has now become, as the article points out, "the vehicle through which economic discipline is imposed on debtor nations." The way that this "discipline" is currently exerted, however, is often antithetical to the professed objectives of the Fund, especially the creation of an economic climate that is conducive to political stability. The human rights language that we will offer would not restrict the Fund's effectiveness; it would instruct the U.S. Executive Director to work toward the formulation of stabilization programs that would not impact in such a disproportionately burdensome way on the poor in the borrowing country. There is no reason why balance of payment readjustment should have to be translated into repression and violations of human rights.

Mr. President, I hope that all of my colleagues will read the following article and ask themselves if this is the way that the IMF was truly intended to operate. I ask unanimous consent that the article be printed in the RECORD.

The article follows:

[From the New York Times, May 24, 1978]

PERU CRISIS: A DILEMMA

(By Judith Miller)

WASHINGTON, May 23—Rioting, strikes and bloodshed in Peru have created a profound dilemma for the Carter Administration, which has been groping for ways to balance at least two competing and, some officials argue, inconsistent foreign and economic policy objectives.

While the Administration is supportive of Peru's planned return from military dictatorship to democratic, civilian rule, the United States is deeply committed to a program negotiated between the International Monetary Fund and Peru. The program is designed to cut inflation, reduce imports, stabilize currency exchange, limit Government spending and bring Peru's balance of payments into equilibrium.

The announcement last week of the austerity measures required by the I.M.F. stabilization program, as the agreements are known, touched off the turmoil. That, in turn, forced the military Government to declare martial law, suspend constitutional guarantees of assembly and free speech and postpone the Peruvian elections, the first in 15 years, for two weeks until the end of June. Many United States Government and independent analysts now fear that the austerity measures may prevent a successful return to civilian rule.

NEGOTIATOR AND BANKS CONFER

While Administration officials watched developments in Lima, a new team of Peruvian financial negotiators met today in New York with an international consortium of commercial banks on rescheduling the foreign debt obligations that have brought Peru to the brink of default. Peru, whose foreign debt now totals $5.5 billion, has asked the banks for a $260 million loan to be used to service those debts. The banks, however decided last month that no additional credit would be extended until the I.M.F. signaled that Peru was adhering to its November planned return to democratic government.

Hence, Peru is caught in a critical squeeze. On the one hand, without I.M.F. support, the country cannot obtain the credit needed to meet its existing debt obligations, continue economic development and pay for extensive food imports. On the other hand, the steps demanded by the I.M.F. have led to the riots, general strikes and upheaval that jeopardize the nation's planned return to civilian, democratic government.

Some analysts see the Peruvian crisis as typical of the economic, political and social problems of developing nations and the dilemmas they pose for the Carter Administration and international finance agencies.

ECONOMIC "DISCIPLE" VEHICLE

The fund has increasingly become the vehicle through which economic "discipline" is imposed on debtor nations. It is also the primary evaluator of their creditworthiness. But, because the I.M.F.'s loan conditions have heightened political tension and social unrest in several nations, some analysts fear that only the most repressive, undemocratic regimes will be able to enforce stabilization policies adequate to "solve" debt problems.

Administration officials contend that the executive branch has already provided all possible and desirable financial and moral assistance. Last month, for example, President Carter sent a letter to President Francisco Morales Bermúdez applauding the Government's planned return to democracy and pledging all "appropriate" support toward that end. In addition, the United States has agreed to accelerate some food shipments on credit and has increased bilateral aid to Peru to nearly $140 million, a threefold rise in the last two years.

Administration officials stress, however, that over the last few years Congress has limited the vehicles through which the emergency assistance Peru requires can be extended. Congress, for instance, has eliminated or severely restricted aid programs for general or emergency support in favor of strictly focused assistance for projects that can be monitored.

U.S. EXPRESSES OPTIMISM

Officially, the Administration still expresses optimism that the I.M.F. and Peru will successfully conclude a standby agreement. C. Fred Bergsten, Assistant Secretary of the Treasury for International Affairs, for example, has consistently maintained that the Carter Administration has never been seriously alarmed by the developing nations' rising indebtedness to international institutions and especially commercial banks.

In other circles, however, Administration officials privately reflect growing concern now about Peru and also the plight of other debt-ridden nations. They worry, moreover, about the slowness with which the Administration has recognized the potential political consequences abroad.

Officials say American foreign policy planners are now searching for ways to make United States policy and the I.M.F. more "sensitive" to the political and social ramifications of what seem to be purely economic programs. However, few specifics have emerged about options.

The Congress, however, has already begun to respond in a way that the Administration finds troublesome: eight Senators, led by James Abourezk, Democrat of South Dakota, have agreed to co-sponsor an amendment to the so-called Witteveen facility, the $10 billion temporary lending pool for the I.M.F. to assist in balance-of-payments crises. The amendment would require the United States representative on the I.M.F. to take political and social consequences into account in stabilization agreements and to vote against such agreements if they threaten to result in worsening human-rights problems. ●

THE 60TH ANNIVERSARY OF ARMENIAN INDEPENDENCE

● Mr. DOLE. Mr. President, as we commemorate the 60th anniversary of the Proclamation of Independence of Armenia on May 28, it is fitting that we remember the bitter struggle and suffering that the Armenian people had to endure to realize their dream. Theirs is a long history of tragic subjugation to foreign rule because of its vulnerable position at the crossroads between Asia and the West. Many conquerors have passed over it during the centuries with a seesaw battle between the Ottoman Turks and Russia. Since the 16th century, it is the Ottoman Turk who dominated most of Armenia.

Despite the racial and religious injustices suffered under the Ottoman rule, Armenians clung tenaciously to their national church and their language. Slowly a national consciousness was formed aimed at future independence and self-determination.

THE HOLOCAUST OF 1915

But even as it was about to be realized, the Armenians were subjected to a planned holocaust on a scale that the modern world had not seen before. Of the 2½ million Armenians living in the Turkish Empire, it is estimated that in 1915 some 1,500,000 Armenians were slaughtered and hundreds of thousands deported to a certain death in the desert areas of the Eastern Turkish provinces. The brutality of the holocaust and the thoroughness with which the Turks carried out their "final solution" can never be forgotten.

Yet, those who succeeded in escaping the massacres looked to the world powers with hope. As the principles of national self-determination and independence were discussed at the Versailles Peace Conference, the hopes and aspirations of peoples throughout the world were awakened. So, it was with the Armenians, and on May 28, 1918, they proclaimed their independence.

ARMENIAN INDEPENDENCE CRUSHED

Armenia's independence was short-lived. But during its 2½ years of independence, the Armenian people worked hard to fashion a democratic nation from the thousands of refugees and orphans. Aware of the threat from the Turkish rulers, the Armenian leaders set about trying to fortify their country militarily. That the Turks would attack the new nation was just a matter of time. But when the actual attack came, the Armenian nation found itself facing the Soviet forces at its rear. Armenia needed outside help but none was forthcoming. Europe was war-weary and America had retreated into isolationism. The Soviet Union dictated the terms of the cease-fire and the armistice. It called for the withdrawal of Turkish forces from most of Armenia and its Sovietization. The Armenian Government had no choice but to submit to the demands or face total annihilation. In December of 1920, independent Armenia was incorporated into the Soviet Union and today suffers under the yoke of Soviet oppression.

ARMENIANS RETAIN ASPIRATIONS FOR FREEDOM

Yet, the Armenians have never given up their claims to freedom and the right to self-determination. Armenian-Americans commemorate the independence of Armenia with an ever-increasing commitment to those principles. We join them today in saluting this anniversary. And hope that they will retain their faith in the future so that one day Armenia will again be free to practice its religion, its culture, and its language as it sees fit, free at last of any foreign domination. Nothing less can be the rightful destiny of the Armenian people.●

EPA MUNICIPAL POLLUTION REGULATIONS

● Mr. MUSKIE. Mr. President, the Clean Water Act amendments passed last December renewed our commitment to clean water for our Nation. We provided additional funds for achieving nationwide municipal waste treatment needs and we made more flexible municipal and industrial timetables.

The Environmental Protection Agency is now in the process of responding to

the mandates of the Clean Water Act of 1977. One of the areas which requires immediate action is development of procedures for modification of the municipal secondary treatment requirement for conventional pollutant discharges into deep ocean waters.

Section 301(h) of the act provides for a waiver from uniform national treatment requirements in those cases where an applicant can show that a lesser degree of treatment of an existing discharge will not interfere with the attainment or maintenance of the national water quality standard and will not require additional controls on any other source. The applicant must also show that all applicable pretreatment requirements will be enforced, and that no substantial increase in the discharges will occur.

These are difficult criteria to satisfy. They were intended to place a significant burden on the applicant. In providing a procedure for modification of the uniform secondary treatment requirement, we wanted to be sure that the procedure would not be used simply to delay compliance with the law. This is available only in those instances where it can be shown that, because of unique hydrological, geological, and ecological characteristics, a lesser degree of treatment of conventional pollutants would be adequate.

The Environmental Protection Agency has proposed regulations for this waiver procedure. The regulations implement the congressional intent by requiring each applicant to meet each condition set forth in the law. As the law intended, these regulations require each applicant to demonstrate, on the basis of empirical evidence, that discharges at less than secondary treatment levels can continue without interfering with the attainment or maintenance of the national water quality standards in the area contiguous to an existing discharge.

Mr. President, I would like to provide some additional history on this issue.

In December of last year, the Congress enacted the Clean Water Act of 1977. These amendments to the 1972 Federal Water Pollution Control Act were designed to provide a "mid-course correction" in the implementation of the regulatory and grant programs established under that act. The 5 years experience with the 1972 clean water law provided a firm base of information from which we could fashion the changes ultimately put in place in 1977.

One area brought to our attention, both in the field and Washington, D.C., was the question of the need for secondary treatment of municipal wastes which are discharged into deep ocean waters. Several west coast municipalities, particularly Seattle, Wash., testified that they had evidence that their wastewater discharges, with less than secondary treatment, did not interfere with the attainment of the goals of the Clean Water Act.

These communities argued that expenditures to achieve secondary treatment, as required by law, were unnecessary from an ecological point of view and wasteful from a fiscal point of view. The Senate Environment and Public Works Committee considered the arguments. We agreed to a limited exception to the uniform secondary treatment standard where communities could prove that existing discharges could maintain the 1983 water quality standards.

This provision was intended to allow those communities which had accumulated or could, in a timely manner, accumulate enough information to present a scientific case for such a waiver. The act assumes that evidence will be developed from analysis of an existing discharge at an existing location.

This provision was specifically intended not to disrupt the ongoing effort to provide secondary treatment for all communities. The time period for consideration and disposition of any waiver requests was deliberately made short so as to discourage a widespread diversion of effort from the task of achieving secondary treatment.

The language of the modification provision is quite clear. The tests are specific and difficult. I would like the section of the law to appear at this point in the RECORD.

The provision follows:

(h) The Administrator, with the concurrence of the State, may issue a permit under section 402 which modifies the requirements of subsection (b)(1)(B) of this section with respect to the discharge of any pollutant in an existing discharge from a publicly owned treatment works into marine waters, if the applicant demonstrates to the satisfaction of the Administrator that—

(1) there is an applicable water quality standard specific to the pollutant for which the modification is requested, which has been identified under section 304(a)(6) of this Act;

(2) such modified requirements will not interfere with the attainment or maintenance of that water quality which assures protection of public water supplies and the protection and propagation of a balanced, indigenous population of shellfish, fish and wildlife, and allows recreational activities, in and on the water;

(3) the applicant has established a system for monitoring the impact of such discharge on a representative sample of aquatic biota, to the extent practicable;

(4) such modified requirements will not result in any additional requirements on any other point or nonpoint source;

(5) all applicable pretreatment requirements for sources introducing waste into such treatment works will be enforced;

(6) to the extent practicable, the applicant has established a schedule of activities designed to eliminate the entrance of toxic pollutants from nonindustrial sources into such treatment works;

(7) there will be no new or substantially increased discharges from the point source of the pollutant to which the modification applies above that volume of discharge specified in the permit;

(8) any funds available to the owner of such treatment works under title II of this Act will be used to achieve the degree of effluent reduction required by section 201(b) and (g)(2)(A) or to carry out the requirements of this subsection.

For the purposes of this subsection the phrase "the discharge of any pollutant into marine waters" refers to a discharge into deep waters of the territorial sea or the waters of the continguous zone, or into saline estuarine waters where there is strong tidal movement and other hydrological and geological characteristics which the Administrator determines necessary to allow compliance with paragraph (2) of this subsection, and section 101(a)(2) of this Act.

Mr. President, the conference committee adopted the Senate language unchanged. The language of the law is identical to the Senate-passed bill, and the discussion in the statement of managers accompanying the conference report is the exact language as in the Senate committee report. This provision is a Senate provision from its inception and, therefore, the legislative history is clearly defined by the history made in the Senate committe and on the Senate floor.

I hope I have been able to clarify what has become some of the current controversy on this issue.●

FISH AND WILDLIFE CONSERVATION

● Mr. HART. Mr. President, the conservation of our Nation's fish and wildlife resource has traditionally been of great importance to the American people. Numerous programs have been initiated on both the State and Federal level for this purpose over the years.

The vast majority of these efforts, however, have been supported through revenues derived from hunting and fishing licenses and other types of taxes on sporting equipment. Consequently, emphasis has been placed primarily on the management of animals which are of particular interest to sportsmen. Those who have supported these endeavors can take great pride in the fact that few such managed species have been reduced to threaten or endangered status.

It has only been in recent years that the conservation of all our Nation's fish and wildlife resources has become a vital concern. The scientific, cultural, and nonconsumptive recreational benefits derived from wildlife have finally gained broad recognition. We have taken to heart our responsibility to insure that our use or neglect of this resource will not result in its ultimate depletion. Furthermore, fish and wildlife are now perceived as members of a complex and highly integrated community with man himself, rather than as isolated, individual species. We have come to realize that by focusing our conservation efforts on game species, which constitute only about 3 percent of native American wildlife, we have left a vast resource unattended.

S. 1140 is intended to bring into practice this new focus on fish and wildlife management by initiating a program of Federal aid to the States for nongame species conservation similar to that provided for game conservation under the Pittman-Robertson and Dingell-Johnson Acts. The Secretary of the Interior would be authorized to provide both technical and financial assistance to the States for this purpose. An authorization of $90 million is provided through fiscal year 1981 for these purposes. Since few States would have immediately available large amounts of funds to match a Federal grant program, the Secretary of the In-

terior would pay up to 90 percent of costs during the first 2 years of the program, and 75 percent thereafter.

Similarly, since license fees are currently the only source of fish and wildlife income for many States, many would like to be able to use these revenues to meet their share of program costs. However, as I mentioned earlier, most of this money is currently used for the conservation of game species, and we should avoid a situation where we are "robbing Peter to pay Paul." Therefore, S. 1140 would permit States to use these sources for nongame matching grants during the first 2 years of the program, but during the third year only 5 percent of matching costs could come from license fees, and thereafter all of a State's portion would have to come from other sources. I believe that this provision will prevent a drain on existing resources while at the same time permitting States the opportunity to develop new revenue sources for nongame conservation.

Mr. President, there are a variety of important conservation activities that the States will be able to undertake with funds provided by this bill. These include, for instance, habitat acquisition and protection, research, population monitoring, and public education and interpretive programs.

My own State has already developed over 350 different nongame conservation projects in anticipation of the enactment of S. 1140. Although approximately 90 percent of the wildlife that exists in Colorado is nongame, very little is known about the population status or biological needs of these animals, since, as in most States, efforts have gone to the conservation of game species. With its allotment from the Federal nongame program, the division of fish and wildlife plans to undertake a $3 million inventory and research program to develop this data and determine which of the State's nongame species are in most urgent need of protection.

The Colorado division also plans programs directed at the conservation of specific species. As an example, after a 75-year absence, the river otter is being reintroduced to major waterflows in Colorado. The greater sandhill crane, once plentiful in the State, now numbers less than 300, and efforts are being made to restore populations of this bird. A similar program is being planned for the white pelican, which is currently restricted to a small island in northeastern Colorado. With funds received under S. 1140 the State hopes to reconstruct the island to twice its current size in order to provide adequate habitat for expansion.

A significant portion of the fish and game division's program is directed toward public use and urban recreation, and enactment of S. 1140 will help this effort. Under consideration is a proposal for the conservation of urban wildlife involving land acquisition around major population centers. This will provide significant wildlife observation, photographic, and many other opportunities for thousands of urban dwellers.

Mr. President, given the vast number and diversity of species which could benefit from it, I believe that the Federal Aid in Nongame Fish and Wildlife Conservation Act has the potential for being one of the most significant conservation programs ever undertaken in this country. It is a bill that has the strong support of the States and the conservation community, and I urge my colleagues to give it their strong support.●

THE HOSPICE MOVEMENT

● Mrs. HUMPHREY. Mr. President, recently a book entitled "The Hospice Movement: A Better Way of Caring for the Dying," was brought to my attention. The author, Sandol Stoddard, visited and worked in hospices both in England and America, and because of her experiences, she sets forth the reasons why she feels hospices should be a necessary part of our thinking in caring for the terminally ill.

The hospice, obviously, is an idea whose time has come in our culture. We appear to be undergoing a revolution in our thinking on death. Perhaps we were obsessed with life and tried to stifle the realization that death must come to all of us. Perhaps, only now are we willing to accept that death, too, is a part of life. But at last we seem to realize that this time should be faced with love and dignity and courage.

There are a variety of different ways the hospice idea can be approached. For example, in St. Paul, Minn., at Bethesda Lutheran Hospital a hospice unit has been established within the confines of the hospital. At this separate unit of the hospital complex, the hospice principles are brought to the care of the terminally ill cancer patients. There is also the home care hospice, the freestanding facility, and the freestanding facility with hospital affiliation. All of these are different ways in which the hospice concept can be adapted to the needs of the dying.

The important factor is not so much where the hospice is located but that your loved one is helped to live the rest of his or her life as comfortably and fully as possible. Too often, our already fragmented families are subjected to further pressures at the time of a serious illness or death. But through the units consisting of physicians, nurses, social workers, clergy, and volunteer workers, not only is the physical pain of the disease lessened, but also the pain of worries and problems is sympathetically met.

This care helps not only the terminally ill, but also provides supportive advice to members of the family. In contrast to most hospitals, friends and family of the dying patient are encouraged to become a part of the hospice care.

Love does not cease with the death of a person; it continues on in the lives of those left behind. A significant part of hospice work is giving help to those relatives who are having difficulties in adjusting to the death of someone they loved.

Terminal illness is not regarded in the hospice movement as an intrusion into life. It is a time for growth for all concerned.

It would be unfortunate if the increased interest in the hospice movement did not continue to grow. The loving concept of hospice is too important for it just to be highlighted for a short period and then be dropped as interest shifts to another concern.

Thus, I recently was pleased to join the Committee of Hospice Action. These concerned citizens wish to make the public aware of their national concept for hospice. Their desire is to make this care available to all who need it, in all parts of our country.

Here in our Nation's Capital, the Washington Hospice Society has been formed and their hope is to bring hospice care to terminally ill patients in the Washington area. I have agreed to be a member of the honorary board of this society.

By being a part of these groups I feel we can help many of our loved ones at a critical time in a caring relationship. Five months ago millions of Americans—in fact, caring people the world over—became unofficial hospice members when they reached out their hands and hearts to Hubert. Their expressions of affection, given so unselfishly, to Hubert and to all his family were an exceedingly consoling gesture. It helped him know we all cared, and it was a sustaining and comforting force for us, his family.

Having experienced these things myself, I realize its value. And, I ask: Can we do any less for all of our loved ones in the future? ●

SUPPORT FOR HOUSE DEFERRAL OF ACTION ON S. 1437

● Mr. CRANSTON. Mr. President, the Los Angeles Times today in a major editorial defends admirably the decision of the House Judiciary Subcommittee on Criminal Justice to take a long look at the proposed reform of the Federal Criminal Code. As one who has urged such a decision, I am in full accord and applaud it vigorously. Since the subcommittee's decision has been criticized in the eastern press, I wish to offer for the information of my colleagues the views of the Los Angeles Times as set forth in their editorial of May 24.

I ask that the editorial appear in full at the conclusion of my remarks.

The editorial follows:

A LEAP IN THE DARK

Legislation to codify, revise and reform federal criminal law (S. 1437, passed by the Senate, and HR 6869, now under consideration by the House of Representatives) has encountered a setback in the House Judiciary subcommittee.

After 23 days of hearings, the subcommittee balked at the complexity of the massive, 682-page measure. Rep. Henry J. Hyde (R-Ill.), summed up the committee's sentiment by calling the bill "a giant leap in the dark." Another committee member, Rep. Charles E. Wiggins (R-Calif.), says the House must take a long and independent look at reform, and not simply ratify the Senate action.

Supporters of the legislation proceeded immediately to the attack, but their arguments, instead of adding strength to their cause, became impressive new evidence that the code should be defeated.

The Washington Post prefaced its renewed support of the code with this confession: "It is almost impossible for anyone, other than the (Justice Department) lawyers who have lived with it for a decade, to comprehend all

of the changes this proposed code would make in federal criminal law." Yet, from that admission, the newspaper went on to argue for passage of a bill that it finds almost incomprehensible.

The New York Times attacked the House subcommittee's analysis as "a cop-out on crime," an evaluation that reduces a momentous issue to a trivial level. The present form of the revision of federal criminal law would profoundly alter the relationship between the federal government and the states, and between the American people and the federal government.

Sen. Alan Cranston (D-Calif.), who opposes the legislation, says it would "tip the delicate balance of police power in our nation too much in the direction of the federal government." That observation was a diplomatic attempt to state a hard truth in soft terms.

The code represents a massive invasion of federal criminal power into areas traditionally left to the states. In testimony before the House subcommittee, Prof. John Quigley of Ohio State Law School estimated that, under the bill, the annual criminal caseload of federal courts, now numbering 40,000, would increase more than five times. This would bring about a tremendous expansion in the apparatus of the federal criminal-justice system, including the FBI.

The significance of this vast extension of federal jurisdiction would be difficult to exaggerate. No longer would there be a "delicate balance" between state and federal police authority. Federal power would predominate.

In a most fundamental way, the proposed code would reverse the relationship between government and American citizens. In our democracy, through the First Amendment that guarantees freedom of information, the government is kept under the watchful eye of the people. Under the code, as approved by the Senate, the government would become the watchful censor over the political activities of the people.

How did this come about in a measure that began as a well-intended effort by a national commission to rationalize a jumble of federal laws accumulated over nearly 200 years?

The commission's work, started under President Lyndon B. Johnson's administration, fell into the hands of Richard M. Nixon's administration, which was dominated, even during the peak of its power after the 1972 election, by a siege mentality.

What emerged was legislation that was authoritarian in tone and substance, and whose guiding principle was the implicit assertion of the need to protect the government from its domestic enemies—the people.

During the uproar over Watergate, the proposed code, like nearly everything else, was overtaken and submerged in the news of the dramatic, day-by-day developments that finally led to the ouster of President Nixon. But the legislation, which escaped the attention of most of the public, was not forgotten by its sponsors, nor by the Justice Department's team of lawyers who drafted the bill.

When the measure surfaced, as Senate Bill 1 in Gerald R. Ford's administration, the public finally became aware of its significance. Even proponents of the S 1 version have now admitted that it was an atrocity. It would have whittled away First Amendment freedoms, undercut Fifth Amendment protections and, in sum, enhanced the power of government and diminished America's system of individual rights. It would have enabled the government to insulate itself from effective political criticism.

Yet a reform of the criminal code, a tedious task involving the rewriting and codifying of some 3,000 criminal offenses, was an appealing idea. Everybody agreed that, if not imperative, the revision of the code was worthwhile.

After the disaster of S 1, an immediate salvage effort was launched, with the technical assistance of the Justice Department squad that had continued to draft and redraft the bill through three administrations.

What finally emerged was S 1437 in the Senate and the companion bill in the House, and the new measure was hailed as a a"masterful compromise" between liberal and conservative senators who otherwise could not agree on the time of day.

The compromise does represent an advance over S 1, but if the new version had been drafted in the dark it hardly could have failed to be an improvement over its predecessor, which was a carefully designed assault on individual freedoms.

Several improvements in the current draft should be noted.

Judges would be barred from prosecuting a news organization for violating a court-issued gag order, if the order subsequently were held unconstitutional. As the situation now stands, a news reporter can be punished for violating an order that is later declared invalid.

The so-called Nuremberg defense for public officials accused of law violations has been dropped. The old bill would have allowed them the defense of claiming that their lawless actions were committed in behalf of national security.

The new version would repeal the Smith Act, which made it a criminal offense to talk about the overthrow of the government by force.

Such gains, and some others, are not to be minimized, but to say that these changes justify enacting this legislation is to overlook numerous other statutes that lay a heavy burden on all forms of political expression.

Thomas I. Emerson, professor emeritus, Yale law school, comes to the conclusion that this bill "retains a large number of provisions which individually and in totality are gravely detrimental to the American system of individual rights."

Though enumerating them may be somewhat less exciting than reviewing a Rapid Transit District bus schedule, they demand close study because they give the government widely expanded power over the actions of American citizens.

Section 1301 (Obstructing a Government Function by Fraud) could be used by the government to impose censorship on government information. It would be a bar to prosecution that the "offense was committed solely for the purpose of disseminating information to the public." But the use of the word "solely" would virtually wipe out the protection if a jury could detect the presence of any other motive.

Section 1311 (Hindering Law Enforcement) would provide that a person was guilty of an offense if he "interferes with, hinders, delays or prevents the discovery, apprehension" of a person charged with a crime "by engaging in conduct by which he knowingly conceals the other person or his identity." This provision could be used against a news reporter who refused to disclose his files to the government, or destroyed them to protect a confidential source.

Section 1331 (Criminal Contempt) would create an offense of not only disobeying a court order but "resisting" such an order. This term could be interpreted to include mere speech. News organizations would be exempt under certain conditions, as we noted, but other forms of expression would be subject to the authority of a judge.

There are many other aspects in this massive revision of criminal law that reflect the legacy of the Nixon years.

Section 1343 (Making a False Statement) says that a person is guilty of a crime if, "in a government matter," he knowingly makes "a material oral statement that is false" to a law-enforcement officer or to an official assigned "investigative responsibility." A mere disagreement between a citizen and a law-enforcement agent could subject the citizen to federal prosecution, and the outcome could depend on one man's word against another. Moreover, the offense would extend beyond a statement of fact, because it would include "a declaration of representation of opinion, belief or other state of mind."

Present law on false oral statements generally has been limited to false statements in the content of a quasijudicial proceeding, or in a situation where one person falsely tried to implicate another in a crime.

Several sections of the code would impose greater control on the flow of information from inside the government to the public. While national-security matters have to be guarded, and some information affecting the privacy of individuals should be protected, a democracy thrives on information, and withers when information is cut off.

The sweep and magnitude of the proposed reform is ominously impressive. If the code is approved in its present form, the weight of federal criminal law will be felt in every corner of the land.

Section 1831, for example, would extend federal jurisdiction over riots to any incident involving the movement of a person across state lines. A "riot" is defined as a public disturbance that includes as few as 10 persons. As one critic has said, the code would come close to converting the federal judiciary into courts of general criminal jurisdiction.

The reform of the entire body of federal criminal law is a logical approach—on paper. In reality, it is not. It is just too vast, too complicated for Congress to swallow at one time.

When the bill was perfunctorily debated a few months ago in the Senate, Sen. James B. Allen (D–Ala.) said, "There aren't five senators . . . who have any idea what's going on. . . . "Sen. James A. McClure (R–Ida.) said the legislation had "become a law unto itself, a massive re-creation whose full implications are known only by its prosecutorial draftsmen (in the Justice Department)...."

The cautious position taken by Rep. James R. Mann (D–S.C.) the chairman of the House Judiciary subcommittee, is fully justified. He wants to limit his committee's work to the consideration of obsolete laws and some improvements in sentencing procedures.

Step by cautious step is the way to proceed on legislation that goes to the heart of our system of justice and affects the fundamental freedoms of the American people.●

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Rufus E. Thompson, of New Mexico, to be U.S. attorney for the district of New Mexico for the term of 4 years vice Victor R. Ortega, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Thursday, June 1, 1978, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.●

SENATOR CRANSTON REAFFIRMS HIS COMMITMENT TO OUR NATION'S VETERANS

● Mr. RANDOLPH. Mr. President, the May edition of the National News Magazine of the American Legion Auxiliary contains an article authored by the distinguished chairman of the Senate Veterans' Affairs Committee, ALAN CRANSTON of California, in which he reconfirms his commitment to our veterans.

In its 48th year the Veterans' Administration runs the largest hospital system ing the Nation, serving our more than 29 million veterans and their survivors and dependents. It has been my privilege to serve on the Veterans' Affairs Committee with the senior California Senator since the committee's birth in 1971. There is no Member of the Senate that is more dedicated to the betterment of the benefits and services available to those men and women that have given so much to protect our freedoms than our chairman, ALAN CRANSTON.

Mr. President, I ask that Senator CRANSTON'S article in which he commits himself to the continuation of a system that can guarantee quality care for disabled veterans be printed in the RECORD as follows:

ARTICLE BY U.S. SENATOR ALAN CRANSTON

I am delighted to have the opportunity to share my views with the readers of "National News". I am well aware of the dedication of the American Legion Auxiliary in its important efforts to help our country's veterans.

As so many of you know, I have been deeply interested in veterans matters since coming to the Senate in 1969. At that time I chaired the Labor and Public Welfare's Subcommittee on Veterans' Affairs and, when the full committee was inaugurated in 1971, I became chairman of its Subcommitte on Health and Hospitals. It is now my great privilege to be the Chairman of the full committee.

The Veterans' Administration will be half a century old in 1980. It was founded in 1930 primarily to care for the nation's World War I veterans and their dependents.

Now, 48 years and three wars later, it has assumed gigantic proportions as the largest independent agency in the federal government. There are now more than 29 million veterans in this nation and the VA has a quarter million employees available to serve them, their dependents, and survivors.

The VA runs the largest hospital system in the nation with 172 hospitals, 228 outpatient clinics, 92 nursing homes, and 16 domiciliaries. I strongly believe this medical system must remain independent and its separate status be maintained. I am fully committed to the continuation of a system that can guarantee quality care for disabled veterans.

The quality of VA medicine was reaffirmed not too long ago in dramatic fashion. The coveted 1977 Nobel Prize for medicine was awarded to two VA researchers—Dr. Yalow and Dr. Schally.

At a time when the Veterans' Administration health-care system is under close scrutiny, these awards say to the world that the system must be recognized as a great national resource. Dr. Yalow's and Dr. Schally's achievements epitomize what can be accomplished through the VA.

And this is why I spoke out against the Administration's budget request for the VA hospital and medical system. In my view and that of the Senate Veterans' Affairs Committee it was far too stringent.

The Administration had requested less than a one-percent increase for VA medical research over last year. This would have eliminated research at up to 60 VA hosiptals, reduced research at the remaining 63 hospitals, and cut back other VA research programs.

The VA's health-care research program is critical to the maintenance of quality care in VA facilities and of vital importance to the VA's efforts to recruit and retain high quality healthcare personnel.

Consequently, we recommend and the Congress has thus far agreed to add $18.3 million to the Congressional budget for VA research.

We were also successful in having included in the Congressional budget a $203 million increase over the President's budget for VA health-care services and programs. Those increases will prevent reduction of 2,532 hospital beds, increase by 4,910 the total number of full-time employees at VA facilities—including 870 staff to handle an estimated 435,000 more outpatient visits in FY 1979—and add $8.6 million for specialized medical programs such as respiratory care and hemodialysis centers and home care for spinal cord injury patients.

I know how vitally interested members of the American Legion Auxiliary are in legislative matters and I wanted to give you a rundown on recent activities.

Equally important, I believe is your dedication to volunteer work. You have spent thousands of hours giving of yourselves at VA hospitals and facilities; Auxiliary units across the country have been supporting the Muscular Dystrophy Association; and you have devoted your energy and enthusiasm to helping veterans in nursing homes, half-way houses and State institutions. Keep up the good work. Your support and activities make a vital contribution to a modern and concerned VA health-care system.●

PRESIDENT CARTER'S ENVIRONMENTAL PROGRAM

● Mr. HART. Mr. President, this week marks the first anniversary of President Jimmy Carter's environmental message to Congress. One year ago, the President proposed several major initiatives—some to improve upon the landmark pollution control laws passed by Congress since the beginning of the environmental movement in 1970, and some to establish new programs to deal with new threats to our planet.

The President should be commended for the significant progress he has made in working with Congress and within his administration to fulfill his promises. With few exceptions, the President has met his pledge, or is well on his way toward meeting them.

The Environmental Study Conference has prepared a simple side-by-side comparison of the President's major commitments in his environmental message and their status. It does not attempt any analysis.

Mr. President, it is my hope that ESC's fact sheet will serve to remind Members of the President's achievements, as well as the unfinished business on his environmental agenda and I submit it for the RECORD.

The fact sheet follows:

PRESIDENT CARTER'S ENVIRONMENTAL PROGRAM

(By Ken Murphy)

On this, the first anniversary of the president's environmental message, Jimmy Carter has made great strides toward fulfilling his promises.

Ironically, though, this first anniversary marks an end to the long honeymoon between Carter and environmentalists. Just as ironically, there has been no corresponding shift in business and industry's adamantly negative view of Carter.

The irony can be explained in large part by two factors: recent signs of an apparent shift away from strong environmental positions by Carter and the tendency of the administration to try to be "all things to all people."

In just the past couple months, Carter and key advisors have issued a number of policy statements that portend what many see as a softening of the president's environmental stance: his backdown on water policy reform, his nuclear licensing bill, his seemingly "all talk-no action" attitude on solar energy development, the Department of Energy's "Phase II" plan stressing synfuels, his record on DOE nominations, and his anti-inflation chief's attack on environmental regulations, to name the most prominent.

The second factor in the irony is this administration's split personality. Carter calls nuclear power the last resort. Yet he asks Congress to speed up plant licensing and construction, and his key advisors repeatedly issue pro-nuclear statements. Carter stresses his strong support for solar power, but so far, almost everyone agrees, has done little to follow through. Carter announces with great flourish a comprehensive reform of federal water policy, yet, when push comes to shove, abandons every major reform option. And so on.

Although environmentalists generally still support Carter, they have run out of patience and are now ready to challenge him. A recent statement they issued on Carter's environmental and energy program was entitled "Promises Broken, Promises Forgotten."

At the same time, business and industry groups, at least publicly, have been slow to endorse Carter's apparent shift, focusing instead on the rest of his environmental record.

What follows is a side-by-side comparison of Carter's major promises in his environmental message and progress in fulfilling them.

Toxic chemicals

PROMISE	STATUS
Big boost in Environmental Protection Agency's toxic substances control budget.	Enacted for fiscal year 1978. Similar boosts for fiscal year 1979 now pending in Congress.
Strengthening amendment to Clean Water Act to ease adoption of toxic discharge standards.	Enacted in watered-down form.
New standards by EPA to protect public from toxic substances in drinking water.	To be adopted soon.

The workplace

Tougher standards for occupational health without repeating past excesses.	In administrative hearings.
Strengthen Coal Mine Health and Safety Act and Nonmetallic Safety Act.	Enacted.

Air pollution

Strengthening amendments to Clean Air Act, including: Keeping clean air areas clean. Preserving visibility in national parks. Economic penalties to eliminate benefits of non-compliance. "Best available control" technologies on new plants. Strict controls on coal-burning plants. Slight relaxation of auto emission controls.	Enacted in watered-down form.

Water quality

Continue funding sewage treatment construction grant program at $4.5 billion annual level.	Enacted.
Boost funds for so-called Section 208 planning program, which provides for local government to develop regional solutions to water pollution problems.	Enacted.
Strengthening amendments to Clean Water Act, including: Economic penalties to eliminate benefits of non-compliance. Stronger enforcement provisions.	Enacted in watered-down form. Congress rejected economic penalties.

Solid waste

Accelerate interagency study of beverage container deposits and other ways to promote waste reduction.	Interagency recommendations on product disposal charges six months overdue.

Pest management

Amend Federal Insecticide, Fungicide, and Rodenticide Act to streamline control procedures, permitting regulation of basic chemicals instead of commercial compounds.	Now pending in House-Senate conference.

Energy and environment

(Initiatives called for in energy message that were reiterated in environmental message)

Improved nuclear power plant safety inspection program.	Seed money to start program enacted.
Review of nuclear plant siting and licensing process.	President submitted bill to streamline licensing without conducting full-scale review. Bill's chances this session are slim.
Review of radioactive waste management plan.	Preliminary review completed. Interim storage plan announced. Interagency team now developing long-term plan.

Outer Continental Shelf

Support for strengthening amendments to OCS Lands Act, including: Federal exploratory drilling. Cancellation of leases in cases of environmental threats. Greater role for coastal States and localities. Best available control technology on OCS drilling operations.	Now pending in House-Senate conference.

Coal

Strengthening amendment to strip mine legislation to protect agricultural lands, particularly in the West, and Appalachia's mountains and valleys.	Enacted Strip Mining and Reclamation Act. Carter noted he was sorry Congress did not adopt his strengthening amendments. Implementation of law plagued by lack of funding, court challenges.
Development of better air pollution control technologies.	Carter's record here mixed. He proposed a shift in technology development responsibility from EPA to the Department of Energy—a move seen by many as undermining cleaner technologies. In addition, EPA, under pressure from DOE and Congress, is considering relaxing new proposed control requirements for new factories and for clean air areas.
Comprehensive study of health effects of burning more coal and synthetic fuel development (for example, coal liquefaction, gasification). "It is essential that both the health and environmental research and the needed controls be in process well before the time that new technologies are ready for commercial use," according to a White House fact sheet on the message.	Study is months overdue. DOE, however, is moving ahead on an aggressive synthetic fuel technology commercialization program.
Step up federal coal leasing program by Interior Department.	Law suit stopping program still not resolved. Full-scale resumption of program probably years away.

Water resources

Comprehensive review and reform of federal water resources development projects, with water conservation as cornerstone and environmental protection and budgetary savings as two key elements.	Recommendation now on president's desk. Carter appears likely, for political reasons, to abandon all major reform options.

Wetlands

Support for the so-called Section 404 wetlands protection program in the Clean Water Act.	Enacted.
Executive Order barring federal funds for projects in wetlands area.	Issued.

Wilderness

Support and expand all of the 24 million acres of wilderness proposals submitted by previous administrations.	Almost half of administration proposals included in "omnibus" parks bill now awaiting House floor action. No action in Senate.

PROMISE	STATUS
Wild and scenic rivers	
Legislation to add segments of eight rivers to the Wild and Scenic Rivers System, to study for inclusion in the system 20 river segments.	Separate bills on some rivers moving slowly in Senate Energy Committee. "Omnibus" bill including five rivers, plus 10 study rivers, is ready for House floor.
Legislation to kill once and for all the Cross-Florida barge canal.	No action on legislation. Work on the incomplete canal has been halted.
National trails	
Submit legislation to designate three new scenic trails and to create new category Historic trails.	House, Senate moving on Historic trails bills. Two scenic trails in House "omnibus" bills.
A $50 million increase in funds over the next five years to purchase wetlands.	Enacted for FY 1978. Money for FY 1979 moving in Congress.
Mining	
Legislation to reform the 1872 Mining Law, including: A leasing system for publicly owned hard rock minerals. Federal exploration authority. Strict environmental standards. A mining plan requirement. Royalties to the Federal Government. Integration of mining into land use plans for public lands.	Probably dead for this session. House markup may begin soon on industry bill. Senate action unlikely.
Forest management	
Study on how to improve the productivity of small, private forest lands.	Legislation to help small private forest now moving in Congress, with the backing of the administration.
Off-road vehicles	
Amended executive order to limit ORVs on public lands.	Issued.
National heritage	
An accelerated, five-year, $759 million program to expand and improve National Park System.	Moving through Congress, but at lower funding levels.
Establishment of a National Heritage Trust to bring together various programs to protect the nation's natural and cultural heritage.	New Interior Department agency, Heritage Conservation and Recreation Service, established. Legislation still not sent to Hill. House, Senate moving on "natural diversity" bills, which are one-half of the heritage program.
Alaska	
Legislation to create millions of acres of new parks, wilderness, wildlife refuges and wild and scenic rivers in Alaska.	Bill similar to administration measure passed House overwhelmingly. Senate picture very cloudy.
Wildlife	
Executive order barring introduction of exotic species in United States.	Issued.
Increase of $23 million in FY 1978 for U.S. Fish and Wildlife Service.	Enacted.
Increase of $295 million over next five years to improve Wildlife Refuge System.	Enacted for FY 1978. Pending in Congress for FY 1979.
Redwood National Park	
Legislation to add 48,000 acres to park and a job protection program.	Enacted slightly modified bill.
Global environment	
Submit legislation to carry out Antarctic Treaty for protection of flora and fauna on the subcontinent.	Stronger legislation ready for House floor. Pending in Senate.
Improving government	
Regulations to streamline environmental impact statement requirements.	Council on Environmental Quality draft rules to be published for public comment soon. Major conflict brewing over proposals to apply impact statement requirement to major U.S. actions abroad, such as U.S.-financed exports. These proposals still undergoing interagency review.
Other environmental initiatives in separate Presidential messages	
Better controls on oil tanker spills, mainly through administrative actions.	Adopted in watered-down form.
Restricting the "plutonium economy" and curbing spread of nuclear weapons through non-proliferation legislation and stopping the federal government demonstration project for a plutonium-breeder reactor at Clinch River, Tenn.	Nuclear non-proliferation legislation enacted. On Clinch River, Congress is heading for another confrontation with Carter by trying to keep the project alive. Carter trying to compromise by promising to study bigger, more modern, "proliferation-resistant" breeder project.

ESC Fact Sheet, May 23, 1978.●

ACTION AGAINST GENOCIDE

● Mr. KENNEDY. Mr. President, I would like to call the attention of my colleagues to a stirring and important article by the wife of the Governor of my State, Mrs. Kitty Dukakis, which appeared recently in the Boston Globe. In that article, Mrs. Dukakis eloquently argues that the United States has a special responsibility to remember the extermination of 6 million Jews during World War II and of 1½ million Armenians during World War I. Both Mrs. Dukakis and I are very pleased by the President's announcement that he intends to form a commission which will establish a national memorial to the holocaust, as called for by a resolution which I had the privilege to cosponsor in the Senate.

It is our belief that the greatest living memorial to the victims of the holocaust and all victims of genocide would be to teach our children about those horrible events so that they will fight to prevent the repetition of such tragedies. Aided by Mrs. Dukakis, the department of education in my State has sponsored a statewide conference, "Teaching About Genocide," and several school systems have established exemplary programs. In order to disseminate some of the curriculum and training methods developed in my State, Mrs. Dukakis is working to create a national center to encourage the teaching of this critical subject across the Nation. I strongly support this effort and urge other Members to do so as well.

I submit the article by Mrs. Dukakis for the RECORD.

The article follows:

ELIMINATING THE HORROR OF GENOCIDE

Why, in 1978, many decades after the horrible events have occurred, should we remember the extermination of six million Jews during World War II or the slaughter of a million and a half Armenians during World War I? Why should we revive the chilling memories of the Holocaust—the bodies stacked like wood, the screams of the dying, the torture, the suffering of children—so dramatically portrayed in the NBC special of two weeks ago? Why should our schools teach our children about the living nightmare of genocide?

Tomorrow, the Massachusetts Department of Education is sponsoring a statewide conference for educators, "Teaching Genocide: Why and How?" to answer some of those questions. Although there are many reasons for teaching about genocide, I believe that the single most important is to remind us that America had—and continues to have—the power to avert such tragedies.

During the 1930s, our government was well-informed about the intensifying Nazi persecution of Jews, but it did not intercede on their behalf. Severe immigration quotas blocked the entry of Jewish refugees. And, during the war few officials advocated open condemnation of the crimes and the threat of postwar punishment as a means to aid the Jews. One such official, Herbert Pell, the father of Rhode Island Sen. Claiborne Pell, warned that American silence would give the Nazis and future tyrants "the green light" to commit genocide.

Sadly enough, the world, and again our country is included, had already provided Hitler with an historical green light—by reacting so feebly to the murder of one million and a half Armenians by the Turks. As Hitler once said: "Who still talks nowadays about the extermination of the Armenians?" The U.S. ambassador to Turkey did protest, but nothing else was done. Only the French actually attempted the physical rescue of some Armenians, saving but a handful.

So, the world lost a chance to prevent some of the deaths in the genocide of the Armenians and the Jews, but it also missed the opportunity to punish some of those responsible and thereby give sharp warning to genocidal tyrants of the future. None of the Turkish leaders responsbile for the Armenian massacres was ever punished for the crimes. Contrary to popular understanding, international war crimes trials in Nuremburg after World War II did not punish all the leaders and henchmen of the Holocaust.

The purpose of recalling the world's leniency with the criminals and acquiescence in the crimes is not to fill us with guilt. Rather, the experience should teach us to recognize our responsibility for human rights everywhere, to be ever sensitive to racism and antisemitism within our own borders and to redouble our efforts to eliminate persecution throughout the world.

Genocide, sadly, is not yet something of the past. In Uganda, Cambodia, and elsewhere, tyrants continue to slaughter people simply because they have the "wrong" political beliefs, or tribal background, or religion. President Carter's recent condemnation of Cambodia and his entire human rights policy is an essential first step.

But, the President's words are only as strong and effective as the support which they command among the American people. An aroused public could move Congress to withhold foreign and military aid to governments which violate human rights. That would add immeasurably to the impact of the President's words.

The American public, however, will only exert pressure on the government if it understands the tragedies of the past and the brutalities of the present. Teaching about genocide and human rights in schools is one way to increase the awareness of children and adults.

Another way to do this would be to establish a national center to encourage the study of genocide and human rights violations. The center could train teachers and publish information for schools. I am now working to raise funds and support to establish such a center in Massachusetts.

The teaching of genocide clearly will not be easy—and the learning for our children may be even more difficult. It will probably raise more questions than it answers. Questions such as:

Why did the leaders of the world and our own country protest past genocide so little?

Why has the United States refused to ratify the United Nations treaty making genocide an international crime?

What can individuals do to prevent a repetition of these tragedies?

Answering such questions will not be easy, but the final result could be a world in which the word "genocide," coined in the 20th century, would only be found in histories.●

FEDERAL AID TO NONGAME FISH AND WILDLIFE

● Mr. CULVER. Mr. President, just before the Senate adjourned yesterday S. 1140, the Nongame Fish and Wildlife Conservation Act, was brought up for consideration. As chairman of the Senate Resource Protection Subcommittee, I am pleased that this important legislation was adopted.

Most fish and wildlife conservation programs conducted by both the Federal and State governments have traditionally been directed primarily toward game species because funding for these programs has come from sportsmen who buy licenses and pay excise taxes on hunting and fishing equipment. Few programs, however, have been initiated directly for the conservation of nongame wildlife—those species which are not normally hunted, fished, trapped or used for other consumptive purposes. Programs which do exist for nongame wildlife, such as those generated by the Endangered Species Act of 1973, are limited in scope and, for the most part, are designed to restore populations which have already become depleted.

Over the last decade professional wildlife managers and conservationists have found this rescue mission approach to be expensive and often ineffective. At the same time, nonconsumptive uses of wildlife resources by the public have been increasing dramatically as backpacking, wildlife observation, and nature photography become more popular. Accordingly the need for programs which conserve nongame fish and wildlife is now generally recognized.

While few States have developed nongame programs, the problem is not a lack of willingness, but rather a lack of funds. This fact was recently documented by the Wildlife Management Institute in the first comprehensive review of nongame fish and wildlife programs throughout the country. It reported that in the 35 States which have programs for nongame species, only $3.3 million, or approximately 2 percent of these States' $176 million budget for fish and wildlife management was set aside for nongame species conservation. This 1975 report concluded that a nongame fish and wildlife Federal matching grant-in-aid program should be authorized by Congress.

S. 1140 fills this need. This legislation directs the Secretary of the Interior to cooperate with, and provide grants to, the States for conserving nongame fish and wildlife. Activities eligible for funding include habitat acquisition and modification, census taking the population monitoring, educational and interpretative programs, and improved wildlife-related law enforcement. An authorization of $90 million from the general fund through fiscal year 1981 would be provided for these purposes, and the Federal share of project costs would be 75 percent. States would become eligible for such funds by submitting a proposal for individual projects, such as the development of a songbird viewing area, or by preparing a long-range, comprehensive plan for the management and protection of nongame species.

In many urban and suburban areas, the only animals which people have an opportunity to view and appreciate are those which might be considered game species, such as deer, pheasants and waterfowl. As approved by the committee, therefore, funds authorized by S. 1140 could be used for the conservation of these animals since they would not be used in a consumptive manner in such limited instances.

As chairman of the Senate Resource Protection Subcommittee, last August I conducted a hearing on this measure. I was greatly encouraged by the support that the concept of a nongame grant-in-aid program received from various State fish and wildlife agencies and the conservation community. At this hearing, Ms. Carolyn Lumbard of the Iowa Conservation Commission identified an annual State need of approximately $250,000 for nongame conservation. She indicated that Federal funds would permit Iowa to expend research and other conservation efforts for several interesting and important resident nongame species, including the upland sandpiper and the spring peeper. The commission is also interested in protecting other birds, such as cardinals and robins, which are more familiar to Iowa backyard bird watchers.

Mr. President, I want to commend the chairman of the Committee on Environment and Public Works (Mr. RANDOLPH) and Senator GARY HART for their strong interest in developing this legislation. I believe it will address a major shortcoming in our existing conservation programs, and I hope Congress will continue to expedite consideration of S. 1140 during the remaining steps of the legislative process.●

NEW YORK CITY'S QUESTIONABLE BUDGET

● Mr. HARRY F. BYRD, JR. Mr. President, on May 23, in a speech I delivered on the floor of the Senate, I undertook a critical examination of New York City's recently drafted 4-year financial plan and Mayor Koch's "executive budget—fiscal year 1979."

I pointed out several items in the budget which rested upon accounting gimmicks, shaky assumptions and fuzzy estimates.

I addressed myself to this issue for the purpose of focusing the Senate's attention on the plan and budget's lack of candor.

I believe that the city's balanced budget, as presented, does not adequately reflect the city's true financial situation and should not be used as a justification or a basis for evaluating the need for Federal guarantees.

New York State's Deputy State Comptroller, Sidney Schwartz, who is New York State's chief monitor of the city's fiscal situation, has just recently also called into question the city's budget figures.

According to articles appearing in both the New York Times and the New York Daily News today, Mr. Schwartz released a critique of the budget which showed that due to an overestimation by the city of State and Federal aid, coupled with an unrealistic reduction in welfare costs, there could be a deficit in the city's 1979 fiscal budget of $242 million.

The articles point out five specific areas where the city's revenue anticipated in Mayor Koch's budget would fall short.

These articles add strength to my argument that New York City is continuing its questionable fiscal practices.

Mr. President, I ask that the articles be printed in full in the RECORD.

The articles follow:

MONITOR DISPUTES THE KOCH BUDGET

New York City revenues for the fiscal year that begins July 1 will fall at least $115 million short of Mayor Koch's estimate, according to the states' chief monitor of the city's fiscal situation.

The monitor, Sidney Schwartz, a deputy state comptroller, said this had resulted principally because the Mayor, in his $13.4 billion budget, had overestimated state and Federal aid and had expected an unrealistic reduction in welfare costs.

Any unrealized revenue in the budget would require the city to find other sources of income or to cut expenditures, since, by law, the budget must be balanced.

OVERSEER AND CITY DISAGREE

Mr. Schwartz's job as overseer of city budget matters for the state and for the Emergency Financial Control Board has frequently put him in conflict with city budget officials. In the budget-making process the Mayor's staff characteristically makes optimistic estimates of revenue, while Mr. Schwartz, in his auditor's function, looks on the pessimistic side.

However, in response to the latest Schwartz assessment, Mr. Koch's budget officials insisted yesterday that they were being conservative in estimating revenue and that they believed Mr. Schwartz's prediction of shortfall was premature.

Mr. Schwartz pinpointed what he said were five areas in which revenue anticipated by the Koch administration would fall short. They were:

A reduction in welfare costs of $60 million, contingent upon continuation of the Federal program of "countercyclical" aid to relieve local burdens during times of economic stress. Mr. Schwartz said that the continuation of such aid "appears unlikely at this time" and that the welfare reduction would not be realized.

A total of 38 million in revenue that the city is counting on from "unknown state and Federal aid programs." The revenue cannot properly be expected in the fiscal year, Mr. Schwartz said.

A total of 29 million in state revenue-sharing funds that should be counted in the current city budget instead of the one starting July 1.

A $20 million overestimate of the actual countercyclical aid from Washington. The shortfall could be even larger, Mr. Schwartz said, if the most favorable proposals to the city are not adopted in Washington.

A total of $12 million in property taxes that the city is counting on from railroad holdings that are now tax-exempt. In Mr. Schwartz's view, "removal of the exemption appears unlikely."

STATE AID ESTIMATES DISPUTED

In addition, the deputy comptroller said, the city's budget overestimates state aid to education by $4 million and rental income from housing by $2 million. However, the budget should realize $10 million in other housing revenues that the city does not anticipate. The net deficit in expected revenues, Mr. Schwartz contended, is $155 million.

Mr. Schwartz also listed $202 million in "other contingencies" that could adversely affect the budget, including delay or cancellation of the Westway highway project and inability to recover overhead costs in the federally financed program for training the hard-core unemployed.

On the other hand, Mr. Schwartz said, the city could gain $115 million that it did not count in the budget, including proceeds from bond sales and probable Federal receipts stemming from the welfare reform program currently under consideration in Congress.

CITY RAPS REPORT OF BUDGET GAP

(By Mark Lieberman)

City budget writers yesterday described as "premature" a projection by Special Deputy State Controller Sidney Schwartz that Mayor Koch's spending plan for the coming fiscal year might contain a $242 million deficit.

Schwartz, in a review of the city's revenue estimates for the fiscal year beginning July 1, determined that $155 million listed as revenues in Koch's budget represented overestimates. He said that other uncertainties could cut income by a further $202 million, while still others could increase revenues by $115 million. The result, he said, would be a shortfall of $242 million.

Schwartz said that many of the money figures he questioned rely on action by the Legislature and the Congress—which the city is counting on to produce $151 million for its budget next year.

In its response, city budgeters acknowledged that the spending plan normally is drafted "before federal and state legislation, upon which the budget is dependent, has been enacted." But, they said, the federal and state aid projections "are based on our sound, best judgment and reasonable expectations." They added that Schwarts' conclusion of a potential deficit "is premature and not consistent with currently accepted expectations."●

UNITED STATES RELATIONS WITH VIETNAM

● Mr. KENNEDY. Mr. President, 3 years after the collapse of our terrible onslaught on Vietnam, we fail to have any diplomatic relations with that country. We maintain a trade embargo against it. And we deny official assistance to it.

The administration has engaged in serious negotiations to normalize relations between our two countries. Now that the Humphrey-Truong trial has ended, I am confident that these efforts will be resumed. I hope that both sides can make fresh efforts to establish a normal relationship, including fully operational and protected embassies in Hanoi and Washington; to lift the trade embargo; and to contribute to the recovery of the Vietnamese people from a generation of conflict.

Mr. President, Gloria Emerson has written a sensitive and compelling article in the Chicago Sun-Times on the potential for such a new and constructive relationship between our two peoples. I have long called for humanitarian aid to Vietnam. Like her, I believe that "It is time for that to happen at last." I request that her article be printed in the RECORD.

The article follows:

IT'S TIME WE AIDED VIETNAM—PERSONAL VIEW

(By Gloria Emerson)

Vietnam came back on television the other morning, filling the room with those ghosts and memories that so many of us need to seal off and hide in the quietest corner of our hearts.

This was a new film: Vietnam three years after the war's end, beginning over; the Vietnamese working to rebuild their country with almost nothing but their fierce passion for their land and rice, their water and sky. And then, a scene in a Vietnamese hospital—the sickening sight of a mutilated child, the picture we saw over and over during our 12 years of war. A Vietnamese doctor, standing by the bandaged child, quietly explained that it was, of course, the very young who most often set off the land mines left by us in the earth.

The Vietnamese are not a self-pitying people. I remember meeting a member of their United Nations mission who said, "Do you want to return to our country to see how high the fruits and flowers will grow?"

Someday those fruits and flowers will be there. But consider this: Between 1965 and 1973 the United States dropped 11 million bombs on southern Vietnam. Together with about 217 million artillery shells, the total weight of American high-explosive munitions used in the south was more than 7 million tons. And consider the chemicals or herbicides we used there, the land clearance by our massive "Rome plows"—33-ton armored tractors that destroyed forests and crops and villages. Then ask: Do we still want to punish the Vietnamese? Is it because they won that war?

I don't believe that we are such a people. Indeed, a CBS-New York Times poll in July revealed that 66 percent favor humanitarian aid to Vietnam. Yet President Carter pays no attention and does not, in his speeches on human rights, consider the suffering inflicted on the Vietnamese or what their "rights" might be. Neither the President, his advisers nor Congress is willing to move toward a reconciliation with Vietnam, and end the shameful trade embargo. Americans have shown how they feel by contributing $7 million to private voluntary agencies for postwar aid to Vietnam. The President pays no attention.

It is the Vietnamese who show more of a spirit of reconciliation, despite the grievous wounds we inflicted on them. Last fall a former Marine fighter pilot met with the Vietnamese in New York. The American, who had so often bombed the south, was given tea, beer and little cakes by a Vietnamese diplomat who had every reason not to want to receive this man. "I often thought what a beautiful country you had when I was flying over it," the American said. The Vietnamese said nothing.

I know a woman who would like to plant a tree in Vietnam in memory of a son who died there in 1967. I know a former Infantry medic who has never forgotten the dead of his platoon, yet who sends small donations because he cannot lead his life peacefully thinking of Vietnam and her craters and her gray poisoned forests. And I know of farmers who sent some of their own crops to Vietnam to ease the emergency food shortage there. The wheat was sent by the Church World Service. It will be milled and made into bread and noodles to be given out in day-care centers, schools and hospitals.

But more than money is needed. What is wanted so desperately is a new American spirit toward the Vietnamese, who do not blame us as a people for their suffering. If we want to see the fruits and flowers in that country grow high again, if we insist to our Congress and the President that relations be made normal with Vietnam, then surely we as people will profit even more than the Vietnamese. Before his death in January, Sen. Hubert Humphrey, who for so long defended that war, signed with 17 other senators a letter to the President urging that humanitarian aid be sent to Vietnam. It is time for that to happen at last.●

AMERICA'S VITAL STAKE IN THE EXPLOSIVE AZORES

● Mr. HELMS. Mr. President, the Azores are a group of islands centrally located in the Atlantic Ocean.

The nine islands are of continuing strategic importance to the United States, both as a base of operation for potential surveillance activities of Soviet naval activities; and also as a vital refueling stop for military aircraft bound for Europe or the Middle East.

No one knows the Azores better than J. Evetts Haley, of Canyon, Tex.

Mr. Haley is one of this Nation's foremost scholars of the American West. His numerous books, biographies, and articles are well known to historians of America's western expansion and folklore.

I know J. Evetts Haley personally. He and his dear wife are close friends. He is a man dedicated to the principles that made America great. He is a man of action, standing firm for his country and its best interests.

J. Evetts Haley knows the Azores. He has lived there; he visits there regularly. He knows the people there, and their yearning for freedom and independence. Because of his extensive travels throughout the world, and his keen knowledge of national security matters, Evetts Haley realizes better than most the continuing strategic importance of the Azores.

Mr. President, J. Evetts Haley has written a significant article about the Azores and America's vital stake there.

I commend this article to my colleagues as instructive of the feelings of many Azoreans about their islands and the role they feel the Azores can play as an ally of the United States.

So that my colleagues may have the benefit of Mr. Haley's views, Mr. President, I ask that the article, entitled "America's Vital Stake in the Explosive Azores," which has been syndicated by the newly formed Washington Dateline news service, be printed in the RECORD.

The article follows:

AMERICA'S VITAL STAKE IN THE EXPLOSIVE AZORES

(By J. Evetts Haley)

The archipelago of the Azores, nine little volcanic islands in the Atlantic beginning some eight hundred miles west of Portugal, are of vital importance to the defense of the Western World. But in keeping with the stupid, if not studied policies of Washington, the United States consistently ignores them.

Under the international disaster called the Carter administration, where ignorance seems compounded by subversive design, that jerry-built political improvisation that passes for America's foreign policy has grown infinitely worse. Meanwhile, world affairs have grown more critical, especially the affairs of Portugal.

As a consequence the relations between the rugged, conservative Azoreans and their politically wanton mother country are rapidly building to a dangerously explosive stage. World economic tensions and antagonistic national interests have accelerated the strain until a violent blowup, comparable politically and socially to the natural volcanic eruptions that formed these islands, is imminent. Whatever the result, it will be of tremendous significance to America and the West.

Our leading military men, free by forced or voluntary retirement from the stultifying political domination of the White House, are agreed on this. Among those expressing concern are two outstanding authorities in the field of defense, Russian intentions, and military intelligence. Major General Daniel O. Graham, says that "the Azores are the most important contribution of Portugal to NATO. In any reenforcement of Europe or the Mediterreanean area, the Azores are critical. This is especially true if the Soviets are militarily involved."

Major General George W. Keegan, Jr., touching on the urgency of the Portuguese situation, charges that "we have turned our backs on our best strategic interests by our failure to support these friendly islands.

"The attitude and policy of our government in regard to the Azores", he continues, "and our failure to recognize their efforts for self-determination, and their rights to freedom and independence, are an unconscionable neglect of our best interests."

The latest illustration of their strategic value was Israel's speedy victory in the Yom Kippur War, made possible by the staged airlift of their essential war supplies in American planes, of necessity refueled enroute at America's leased base at Lejes, on the island of Terceira.

NATO has a refueling station at Ponta Delgaga, on San Miguel, while NATO's all-important submarine sonar tracking station on Santa Maria is the only base in the Atlantic from which the movements of hostile Russia's vast fleet of submarines can be simultaneously monitored as they range with impunity along the coasts of the Americas, northern Africa and Europe.

On the island of Flores, much farther west, France has what is usually referred to as a "meteorological station", but is actually a missile guidance and tracking base, built and maintained under rigid security, through treaty with Portugal. Nor are the Soviets asleep as to the importance of these islands.

The magnificent air field at Santa Maria has been, and is being used to refuel the giant Russian transports that are flying Fidel Castro's and Andy Young's "stabilizing forces" direct from Cuba to Africa, in Russia's "righteous" crusade for the relief of Angola from the terrorists whom we, under Kissinger's cold-blooded control of our foreign affairs, helped free from the prosperous "domination" of the Portuguese settlers. Thus, ironically, the Azores are serving as a handy base for sealing our own perfidy in the betrayal of Portugal's, and the free world's vital interests in Africa.

For decades there has been a smouldering desire in the Azores for independence; now fanned to fiery proportions by the abuses of Lisbon. With outspoken admiration, the Azoreans are recalling the times of the strong-willed Salazar, whose insistence on monetary discipline rescued them from that financial chaos into which Portugal has again fallen.

For four years now the American public has heard little from the media but lavish praise for the specious virtues of the Communist revolution, which overthrew the "right-wing dictatorship", they never fail to intone, of Caetano's legitimate government. Under that regime the escudo was solidly backed with gold, tourism and foreign trade were growing, agriculture improving, labor hard at work, business flourishing, life orderly and peaceful, and the people happy.

There were, it is true, restrictions on utter license, which in the lexicon of the leftists is lyingly defined as freedom. When I went into business and established partial residence in the Azores eight years ago, under the "oppressive laws", since repealed, no agitator from a Communist country could stop overnight in Portugal; no gang of syndicalist labor goons could take over a factory from the owners and wreck the plant; no mob of dirty, long-haired bums could shut down and burn the ancient and honorable university of Coimbra.

Vandalism, petty thievery and burglary were unknown. In search of a residence, I looked at substantial places in the beautiful towns that had stocd vacant for as long as seventy years, their patina-mellowed plaster unscratched; and not an antique window pane broken. Children, mindless of care and molestation, played in the streets in noisy abandon. Unattended women, from the flame of youth to the dark-shawled decorum of age, went their ways by day and night in perfect safety.

Not in the memory of any person I met, and my inquiries were searching, could I find recollection of an armed robbery, murder or rape among the 170,000 gentle inhabitants of my chosen island of San Miguel, where malfactors of the law received short shrift instead of suspended sentences. There was some wealth uncankered by envy; there was some poverty, unattended by degradation or misery. Obviously, in the diseased minds of the proscribed Communists, such an intolerable situation had to change.

By infiltration of the officer's corp in the army, the Communist take-over came on the early morning of April 24, 1974, and "democracy" was imposed by edict, naturally at the point of bayonets. Overnight the ways of life changed.

Now, after four years of Socialist-Communist "freedom," Portugal's labor, sullen and resentful, has plenty of leisure, business is in a shambles, her rich African colonies gone, her government a Soviet satellite, her gold vanished, inflation rife, economy bankrupt.

America's role in this delicate sea of diplomacy where our big mouth, bombast and bravado are cooly countered by a cynical world with finesse and intrigue, is, as always, to try to bail our way out with billions of dollars. Along with the International Monetary Fund, our own advances toward keeping the Soviet-trained Mario Soares in power have already run into the hundreds of millions. In view of Portugal's imminent collapse, and the impending rebellion of the Azores, it would seem that the United States has an opportunity for real statesmanship.

Why not insist, as a condition of further advances, on the independence of the

Azores? The stubborn alternative could well be the precipitation of civil war between them and Portugal. From the standpoint of justice, if there is still resort to any such virtue, are the blood-kin in the islands to be denied equal rights so freely granted by the mother country to the colonies in Africa?

There is no way in which Lisbon could hold the Azores in case of such a rebellion, except through outside intervention. Under the Brezhnev Doctrine Russia's aid might well be invoked, with the Soviets being the willing winner.●

NORMALIZATION OF UNITED STATES-CHINA RELATIONS

● Mr. KENNEDY. Mr. President, I would like to call the attention of my colleagues to an important article in last Sunday's New York Times on the normalization of U.S. relations with the People's Republic of China, written by Prof. Jerome Alan Cohen. In this column, entitled "Normal Ties with China," Professor Cohen who is an associate dean and director of the East Asian legal studies program at the Harvard Law School, examines and clears up three common misconceptions about the legal implications of normalizing relations. His analysis is both succinct and incisive, and contributes significantly to our understanding of this important area of our Nation's foreign policy.

I, therefore, request that Professor Cohen's article be printed in the RECORD.

The article follows:

NORMAL TIES WITH CHINA

(By Jerome Alan Cohen)

CAMBRIDGE, MASS.—Zbigniew Brzezinski, President Carter's national security adviser, on his trip to Peking will be probing China's attitude toward establishing formal diplomatic relations. In the United States there is confusion about the legal implications of normalization. Three misconceptions cloud analysis:

1. Normalization will mean American acceptance of Peking's sovereignty over Taiwan.

If so, the United States would have no legal basis for continuing to defend Taiwan.

Yet, even though the 1943 Cairo Declaration committed America to restore Taiwan to China after World War II, Washington has never formally approved restoration. Between 1945 and 1950, we treated Taiwan as part of China, but we anticipated that the island's de facto status would be confirmed de jure by the forthcoming peace treaties. Once the Korean conflict occurred, however, Washington announced that Taiwan's status was undetermined. This implied the possibility of separating the island from China, and the peace treaties were constructed to confirm Japan's renunciation of Taiwan without confirming China's title.

At Shanghai in 1972, America stated that it "does not challenge" the claim of all Chinese on either side of the Taiwan Strait that Taiwan is a part of China. Although American officials argued that this did not represent another shift in position, it did appear to eliminate the specter that Washington might permanently separate the island from China by failing to fulfill the Cairo Declaration's pledge. Nevertheless, this terminology did not formally confirm Taiwan's reincorporation into China. It simply renewed the hope that the pledge would eventually be fulfilled.

Thus, if in recognizing Peking as the Government of China, Washington does nothing further to clarify Taiwan's status, it will not have undermined its legal basis for defending the island.

2. Normalization need not terminate our 1954 treaty to defend Taiwan.

It has been argued that the treaty, made with the Republic of China, can survive recognition of the People's Republic of China as the new Government of China, since its terms are limited to territory controlled by the Republic of China. This would vastly complicate the normalization process.

The defense treaty, however, was concluded with the Republic of China as the Government of the state of China. Once we meet Peking's first condition for normalization by formally acknowledging the People's Republic rather than the Republic of China as the Government of that state, it will be for Peking, as well as Washington, to determine whether the treaty should be maintained, even though the treaty applies to only a specific area.

Termination of the treaty is the second of Peking's conditions for normalization. Peking has termed the treaty void ever since its negotiation. Moreover, it would make no sense for Peking to succeed to a treaty to defend against an attack by itself, and Peking's leaders have indicated that the treaty will lapse as a result of normalization. No state that has recognized the People's Republic has managed to maintain previously concluded agreements with the Republic of China. We will prove no exception.

The demise of the defense treaty, however, will not prevent the United States from unilaterally guaranteeing Taiwan's defense.

3. Termination of the defense treaty will require formal consent of the Senate or the Congress.

An argument has been made that, since normalization will result in termination of the defense treaty, this will be tantamount to abrogation of the treaty by America and that under American constitutional law the President can abrogate a treaty only with the consent of the Senate or the Congress.

This mistakenly assumes that normalization will amount to abrogation by Washington. Actually normalization is distinct from abrogation, even though, by establishing diplomatic relations with the new Government of China, the President will make it possible for that Government to terminate the treaty. It is not the United States that will be terminating the treaty but China. The President will simply be exercising his traditionally unfettered power to recognize and establish diplomatic relations with the new government of a state. Therefore, no constitutional issue will arise, although the President will plainly be wise to secure Congressional cooperation.●

NARRAGANSETT INDIAN LAND CLAIMS

● Mr. CHAFEE. Mr. President, I am pleased to join my colleague from Rhode Island (Mr. PELL) introducing legislation to deal with the problems surrounding claims of the Narragansett Indians in the town of Charlestown, R.I.

I am sure that many of my colleagues in the Senate are aware of the complexity of this issue. While litigation and negotiations in similar cases elsewhere are underway, there is no definite idea of when those cases will be decided. Hence, it would be some time before we had guidelines for determining the validity of Indian claims and providing a fair settlement.

Claims in other States have received more publicity—either because of the size of the claims or the degree of confrontation between the Indians, the private landholders, and the public officials trying to come to grips with this problem. But the situation in Rhode Island is no less perplexing than any of the others.

On the basis of total acreage, the claims by the Narragansett Indians against Rhode Island certainly are not among the largest of those filed by the various Indian tribes across the country. They do, however, represent one of the highest ratios of acreage under suit to total State size.

All of the parties involved in this settlement deserves a large amount of credit. They maintained a spirit of cooperation throughout many months of deliberations and the protracted negotiations that were needed to assure a high degree of support from the Federal Government. It was this spirit which contributed greatly to the speed of reaching a final settlement.

This lack of animosity should not be mistaken for disinterest on the part of any of the parties.

The citizens of Charlestown, who are waiting for this case to be settled, are being held in a twilight zone of uncertainty. They find themselves in limbo, unable to exercise the basic rights normally associated with owning property. Their inability to get clear title to their land prevents them from liquidating their estate, either for business or personal reasons. They are unable to acquire the credit necessary to make improvements to their property.

Congress has the opportunity to help put an end to this uncertainty. Furthermore, the Federal Government can now show its support for a solution to the Indian land claim problem that satisfies all the participants. This legislation does not represent an attempt by the Federal Government to impose a solution of their own design onto unwilling parties. Rather it represents the consensus of the affected parties in Rhode Island that is the fairest, fastest, and most equitable way of settling this problem.

Staff members from the Rhode Island delegation and representatives of the parties concerned have spent much time and effort in getting the ball rolling toward settling these claims. Senator PELL and I anticipate prompt action from the committees having jurisdiction over this legislation. I urge the full Senate to act on it as quickly as possible when it comes to the floor.●

S. 3049: THE PRODUCT LIABILITY SELF-INSURANCE ACT OF 1978

● Mr. PERCY. Mr. President, today I wish to announce my support for S. 3049, the Product Liability Self-Insurance Act of 1978, introduced by my distinguished

colleagues, Senator CULVER and Senator NELSON.

S. 3049 embodies the recommendations of the Department of Commerce which has made an indepth study of the product liability crisis. The total inability of some businesses to obtain product liability coverage is alarming. Incredibly, many of these firms have never had an unfavorable judgment entered against them. Insurance premiums of some firms have skyrocketed by thousands of percentage points in just the past few years. This necessarily results in higher production costs, higher costs to the consumers, and in the extreme case, the inability of a firm to continue its operations.

S. 3049 would permit businesses to deduct from taxable income certain contributions to a self-insurance reserve fund used exclusively to pay product liability losses and related costs. The bill establishes strict guidelines concerning how much can be placed yearly in the fund. It also places strong limitations on what these funds may be used for. Thus, S. 3049 adequately prevents potential abuse of the reserve fund, but allows firms to build a substantial reserve to pay any product liability losses or related costs such as legal expenses.

It is imperative that responsible action by Congress be initiated to provide a way out of the product liability problem. This action not only would bolster the economic viability of the business involved, but also would protect the consumers and employees of this Nation by assuring that just compensation would be available for injuries they may suffer. I believe that self-insurance reserve funds—and the necessary tax deductions to facilitate the equitable use of these funds—provide the most effective short-term solution to the crisis in product liability.

Congress must continue to examine the ideas which have been offered as a more comprehensive solution to this problem. Tort reform, altered insurance ratemaking procedures, and limitations of liabilities are among the possible approaches that must be explored. It is imperative, though, to provide industry with some immediate way of protecting itself and the consumers of this Nation. For this reason, I am glad to cosponsor S. 3049.●

VISIT OF PRIME MINISTER FUKUDA

● Mr. KENNEDY. Mr. President, on May 2 and 3 the administration and Congress had the great honor and pleasure of hosting Prime Minister Takeo Fukuda in Washington, for the 15th top-level consultation between our two countries since President Eisenhower met Prime Minister Kishi in 1957.

I was personally delighted to see Prime Minister Fukuda again after meeting with him in Tokyo last January. Both meetings impressed me with his deep personal commitment to strengthening the major political and economic ties between our two countries.

Then as now, I welcomed his strong interest in making our bilateral relationship a force for peace and prosperity not only in Asia, but throughout the world.

Then as now, I welcomed his 7-percent target for Japanese domestic growth and his serious efforts both to increase Japan's imports of American goods and to reduce the Japanese current account surplus.

When the Prime Minister visited the Senate, I joined with my colleagues in telling the Prime Minister of the importance of succeeding in these efforts—both for the sake of the global economy and for the sake of our bilateral trade relationship.

I have no doubt that the Prime Minister's meetings with President Carter furthered these important objectives. The meetings were of great value in stressing the importance of progress in the multilateral trade negotiations in Geneva and in preparing for the July economic summit in Bonn. Most fundamentally, they underlined that our relationship with Japan is the cornerstone of U.S. policy in Asia, and that the United States intends to play an active and constructive role of partnership in the region.

I applaud Japan's increased contribution of $10 million to the U.N. High Commissioner for Refugees, to help meet the critical needs of Indochina refugees. Equally important is Japan's expressed readiness to accept refugees for resettlement under certain conditions.

A further sign of Japan's new sense of international responsibility is the Prime Minister's announced intention to double official development assistance within 3 years instead of 5, to pursue a policy of general aid untrying, and to make additional contributions to international institutions such as the Asian Development Bank.

On the cultural and intellectual front, Japan has moved to share the costs of the Fulbright program between our two countries, and to contribute $1.4 million to the Boston Museum of Fine Arts. These are substantial and welcome contributions to Massachusetts and our two nations.

In our close and multifaceted relationship, it behooves Japanese and Americans to look forward to expanded efforts in energy, science, and technology—the challenges of the future—in addition to the political and economic relationships of the past. These were key themes in a speech delivered by Prime Minister Fukuda on May 4 before the Japan Society in New York.

In his speech, Prime Minister Fukuda stressed that Japan "must adhere to its historic commitment to peace" and "must accept growing responsibilities within the international community, directing our economic strength and our human resources and energies to the common goals of building peace and prosperity in the world"—the two guiding principles of his January policy speech to the Japanese Diet. Complementing these themes was a speech delivered by Zbigniew Brzezinski on April 27, also before the Japan Society, in which he said:

The relationship that has developed between the United States and Japan is uniquely significant. Despite differences in our national situation and national styles, we have fashioned ties that are rooted in shared interests and common values—our commitment to democratic procedures, civil rights, the market system, a free press and open societies.

Mr. President, I request that the full texts of the speeches by Prime Minister Fukuda and Dr. Brzezinski be printed in the RECORD.

The speeches follow:

ADDRESS BY THE PRIME MINISTER OF JAPAN, TAKEO FUKUDA

Mr. Rockefeller, Mr. Burgess, Distinguished Guests, Ladies and Gentlemen: Following my two days of constructive discussions in Washington with the leaders of your Government, I am delighted with the opportunity to address this audience of American opinion leaders, interested in Japan-U.S. relations. Both the Japan Society and the Foreign Policy Association have long and impresive records in public education on international relations and intercultural understanding.

The work you are doing is virtually important, the more so as mankind approaches the critical challenges that mark the end of this century and the beginning of another.

Just one year ago, soon after we assumed our respective offices, President Carter and I met to discuss the shape of Japanese-American cooperation in a global context. This year, bearing in mind the results of our last year's efforts, we sought to define more concretely the respective and cooperating roles of Japan and the United States in building a better world.

Needless to say, it is the present vigorous state of Japan-U.S. relations which provides a solid foundation for implementing our cooperation.

Looking back on Japan's postwar history, we cannot doubt that our cooperative relationship with the United States, based on our Treaty of Mutual Cooperation and Security, has played a critical role in insuring peace and Japan's security, and in bringing about the prosperity we enjoy today.

However, I must emphasize that the Security Treaty not only plays this one-way role of insuring peace and security for Japan, but has also come to symbolize the full spectrum of the Japan-U.S. relationship, and provides the basis for what has become our total partnership for the promotion of peaceful and friendly international relations.

Today, as the international community has become increasingly interdependent, and as Japan's national strength has been enriched, this partnership has reached beyond the boundaries of purely bilateral coordination. It has become increasingly important that we work together hand in hand for the realization of our shared international goals. Our Japanese-American partnership, firmly founded on our Security Treaty, is ample framework for this kind of cooperation.

Asia, where the vital interests of both our countries are joined, presents the most creative opportunities for long-term Japanese-American cooperation in furthering peaceful development and regional stability.

Japan, as a member of the Asian community, fully realizes that the maintenance of stability and peace in Asia—which is inseparable from world stability and peace—is an essential condition for our own well-being. Japan recognizes its international responsibility to contribute positively to the stability and prosperity of this region.

My visit to Southeast Asia last August was in fact inspired by this belief. In Manila, the last stop on my tour, I expressed in the

form of three principles, Japan's fundamental posture in Asia.

The first principle is that Japan, having committed itself to peace, rejects the course of a military power, and dedicates its resources to the peace and prosperity of Asia and the world.

My expression of this determination was strongly endorsed by the nations I visited. That endorsement eloquently demonstrates the role those countries expect of Japan.

What I wish to emphasize at this point is that such a role is possible for Japan only because of the Japan-U.S. security partnership. I earnestly hope the American people fully appreciate the fact that the mode of cooperation which the countries of Asia expect of Japan is that of a nonmilitary neighbor, devoted exclusively to peace-building.

The second principle is that the relationship between Japan and Southeast Asia must be one of genuine friends, based on mutual confidence and trust, not one of calculation or economic domination. At a time when the nations of Southeast Asia are stepping up their nation-building efforts through regional cooperation, I believe it is of the utmost significance to the continuing stability of the region that Japan establish its cooperative relationship as a fellow and equal partner in the Asian community.

The third principle I emphasized in Manila is that it is important to the consolidation of peace in Asia as a whole, and in Southeast Asia in particular, to foster peaceful and mutually beneficial relations with the nations of Indochina, despite differences in social systems. I trust that diplomatic efforts in this direction will have positive meaning for peaceful relations among the nations of Southeast Asia.

I was very much reassured, in the course of my recent talks with President Carter, that the United States, as a Pacific nation, sustains its deep interest in Asia, and is determined to play a constructive role for the maintenance of peace and stability in the region. The current visit of Vice President Mondale to three ASEAN countries, and to Australia and New Zealand, is a manifestation of that determination. Further, we welcome highly the reaffirmation of the United States commitment in the Asia-Pacific region as expressed in the recent speeches by Ambassador Mansfield or by Dr. Brzezinski under the auspices of the Japan Society.

It is extremely important that the United States continue to demonstrate its determination, through concrete measures, to maintain its interest and its presence in Asia. This is the key to dissipating any anxieties in Southeast Asia that the United States may drift away from Asia, and for undergirding and reinforcing Japan's constructive role in promoting Asian stability and prosperity.

My country is highly appreciative of the posture of the United States and, building on the cornerstone of our alliance, Japan intends to broaden and diversify its cooperative efforts to enhance the truly peaceful and prosperous development of this important region.

The present condition of the world economy presents the most threatening challenge we face as Japan and the United States work together to build a better world. There is little room for optimism on the part of either developed or developing countries. I am deeply concerned that, unless we find a way out, a situation may develop where world stability and peace are endangered. It is most important that the United States and Japan, two of the greatest economic powers in the world, approach this challenge, not as bilateral problems between our two countries, but rather as a responsibility—and, indeed, an opportunity—to contribute individually and jointly to the stable expansion of the world economy.

It was precisely in this context that Japan and the United States conducted the series of economic consultations which began last fall and resulted in the Joint Statement of Minister Ushiba and Ambassador Strauss last January. The results were gratifying in that both countries, in a spirit of cooperation, reaffirmed our joint commitment to work together, each from its own position, for stabilization of the world economy.

It is important to note that the Ushiba-Strauss statement was based on the concept that these problems can be resolved, not through protectionism and the contraction of world trade, but through liberalism and world trade expansion. This concept should serve as a guiding principle in our search for greater prosperity in the world economy as a whole.

Japan's contributions include the effort to expand domestic demand by speeding our economic recovery, and thus indirectly to buoy up the world economy. Despite the obvious difficulties, we have adopted a highly stimulative national budget, depending by as much as one third on a bond-financed deficit. Our target of 7 percent real growth this year is far higher than the growth target of any other developed economy. The Bank of Japan has reduced the discount rate to 3.5 percent to help stimulate domestic demand, and we are endeavoring to expand imports by slashing tariffs, liberalizing quota controls, expanding quotas on a number of products, liberalizing foreign exchange controls, expanding import financing, and related measures.

As a result of all these initiatives, the Japanese market is today about as open and accessible as the United States, and the opportunities for exporting to Japan are greatly expanded. The import-promotion mission we sent to the United States last March achieved considerable success by seeking out, and buying substantial amounts of American products. I hope the United States will respond with a redoubling of your efforts to promote American exports to Japan.

Cooperation between Japan and the United States is virtually a precondition for the success of the Multilateral Trade Negotiations, which are now reaching a critical stage, and the July Economic Summit. That is to say, the issues posed by the Summit agenda, particularly the progress in the trade talks, are among the most important where the United States and Japan—because of our prominent status in the world economy—must exercise strong leadership for the entire world.

Japanese-American cooperation on international economic matters will not end with the successful completion of the MTN or at the next Summit. Our continuing, long-term cooperation and solidarity are essential in the interests of achieving world economic prosperity.

As a matter of practicality, the world economy should not depend for its health and stability on the United States alone, since this is a responsibility that must be shared among all the major developed countries. Nonetheless, the fact that the U.S. economic power outrivals all others is unlikely to change in the foreseeable future. I count therefore on continuing U.S. leadership in such areas as the maintenance of free trade, stabilization of international currencies, and efficient utilization of energy resources.

The world economy is in the doldrums. The developing countries are suffering particularly severely. Never before has there been such urgent need to strengthen international cooperative efforts to resolve the economic difficulties facing the developing nations, and to promote their economic and social development. Both Japan and the United States, individually and in concert, must play increasingly important roles in this enterprise.

Last May Japan pledged to more than double our Official Development Assistance within five years. I can tell you here today, proceeding even further, Japan now strives to achieve the doubling of its ODA within three years.

I wish also to announce here today our intention to improve further the terms and conditions of our aid, seeking to reach as soon as possible the recommended OECD target. We are improving the terms and conditions of government loans, expanding our grant aid, and implementing the basic policy of untying financial assistance, in response to the requests of recipient countries.

Aid is an exercise which cannot be expected to produce overnight results. All the countries involved must, above all, sustain a steady and patient effort in the spirit of cooperation and common commitment. It would be appropriate for Japan and the United States to join forces in meeting this responsibility more forcefully, in the context of our roles in building a better world.

Only some 20 years remain before we enter the 21st century. It is no mere fantasy to ask what we can do together to assure the well-being and happiness of those generations who, in the 21st century, will inherit the fruits of our efforts.

From this perspective, I should like to explore with you briefly the area of science and technology as a most promising opportunity for cooperation between Japan and the United States.

Modern science and technology, as our generations know very well, can either contribute immeasurably to human comfort and convenience, or can be the servant of war and destruction. Science can provide impetus to new productive activities, and serve as a prime mover in the future expansion of the world economy, or can waste our resources and threaten our survival.

Exactly because of this dual character of science and technology, I believe it is the duty of Japan, a nation dedicated to peace, to participate vigorously in cooperative international efforts to utilize science and technology solely for improving the standard of living of the world's peoples.

In the course of my discussions with President Carter, I made some specific proposals for scientific and technological cooperation.

Japanese-American cooperation is most urgently required in pursuit of the technical feasibility of developing nuclear energy for peaceful purposes, without the risks of proliferation of nuclear weapons. The importance of peaceful nuclear energy cannot be overemphasized, especially for a country such as Japan, which has no significant energy resources of its own, and ranks second only to the United States as an importer of oil.

Japan, which experienced untold suffering brought about by the use of nuclear weapons, is deeply committed to the three non-nuclear principles—not possessing, not producing, and not permitting nuclear weapons to be introduced into Japan, and as a signatory to the Treaty, cooperates with the United States in international efforts to establish firmly in the world a nuclear non-proliferation regime.

At the same time, however, efforts to prevent the spread of nuclear weapons should not foreclose the development of peaceful applications of nuclear energy. Japan is convinced that these two objectives can and must be reconciled. Indeed, a solution in which one objective supersedes the other cannot be a viable solution. I believe that Japan and the United States can make a most constructive contribution to world in-

terests by cooperating in the development of technologies to make these two objectives compatible.

When we consider the peaceful uses of nuclear energy, to secure safety is the indispensable prerequisite. Especially, as we realize that both Japan and the United States use the same type of nuclear power reactors, for Japan and the United States to cooperate together in the research for nuclear safety, so as to improve the safety and reliability of nuclear reactors, will indeed serve the common interest of both peoples.

From a longer-range point of view, the development of new alternative sources of energy invites expanded Japanese-American cooperation. Since world oil reserves are expected to come close to depletion at the end of this century, both our countries should strengthen our cooperative efforts for energy conservation and the development of new energy sources, including solar and geothermal energy, nuclear fusion, tidal power, oil sand, oil shale, and gasification of coal. I should like to suggest nuclear fusion and solar energy as particularly useful areas for joint R & D, since both are considered to be ultimate energy sources for the future.

Fusion involves harnessing almost unlimited energy from a man-made process which employs the same principle by which the sun creates its heat and light in nature. It is, in effect, the creation of a miniature sun on earth. Japanese and American experts are already exchanging technical information in this field, but I should like us to take a step further, pooling our human and financial resources in a joint effort to realize an ultimate dream of mankind.

Solar energy involves more efficient utilization of the sun's light and heat, which are the source of all other energy, including fossil fuels. A working-level arrangement is about to be signed, between experts of both countries, for technical cooperation on some aspects of solar energy, and concrete research programs are expected to be pursued.

There seems, however, to be far greater potential for tapping solar energy. An example of this is utilization of the mechanism of photosynthesis, by which, in nature, plants tap the energy of sunlight to "manufacture" their food. This deserves to be taken up in a cooperative research effort.

Colossal investments in human and material resources are needed for research and development in all these areas. With a view to making more efficient use of limited resources available, and to make Japan-U.S. cooperation more meaningful, I wish to propose that Japan and the United States seriously study the establishment of a joint fund for the advancement of science and technology, to serve as a framework for international cooperation in these areas. I hope to pursue this idea with our American colleagues concerned, and I trust you and your countrymen will be responsive to my proposal.

Needless to say, there is no reason to limit such partnership in scientific and technological cooperation to Japan and the United States alone. The door could be open for participation in these projects by all countries which wish to cooperate with Japan and the United States to put science and technology to work for the well-being of mankind.

At the beginning of this year, in my policy speech to the National Diet, I set forth my convictions regarding Japan's role in building a better world, summing up in two guiding principles:

First, Japan must adhere to its historic commitment to peace, permanently rejecting the option of becoming a major military power, and promoting friendly cooperation with all nations and solidarity with the world community.

Second, Japan must accept growing responsibilities within the international community, directing our economic strength and our human resources and energies to the common goals of building peace and prosperity in the world.

I believe that these will be the guiding principles for Japan as it strives together with the United States to strengthen further our friendly and cooperative relationship. I am resolved to do my utmost, on the basis of these two principles, hand in hand with the United States, toward realizing a truly peaceful and prosperous 21st century.

ADDRESS BY ZBIGNIEW BRZEZINSKI

AMERICA AND JAPAN IN AN ERA OF INTERDEPENDENCE

I would like to speak to you this evening about United States relations with Japan. I shall begin with a few remarks about the Administration's broader intentions in foreign policy, for this defines the context of our bilateral relationship. Our approach reflects both substantial continuity with the policies of our predecessors, and some important nuances of change.

1. We seek wider cooperation with our key allies. Close collaboration with Japan and Western Europe has long been the point of departure for America's global involvement; however, we are also seeking to broaden these patterns of cooperation to include the new "regional influentials", thus responding to changes over the last 15–20 years in the global distribution of power.

2. We are seeking to stabilize the U.S.-Soviet relationship, pursuing through a broader range of negotiations a pattern of détente which is to be both comprehensive and genuinely reciprocal. At the same time we are expressing cautious but more explicit American interest in Eastern Europe.

3. We intend to maintain sufficient military capabilities to support our global security interests. Above all, we shall maintain an adequate strategic deterrent; preserve—along with our NATO partners—the conventional balance in Europe; and develop a quick-reaction global force available for rapid redeployment in areas of central importance to the United States, such as Korea.

4. Politically we shall remain engaged in all regions. In the Asia-Pacific area, we shall preserve a strategic and economic presence consonant with our large and growing stake in the region. Above all, this requires a widening of our cooperation with Japan and an expansion of our relationship with China. We shall enhance our collaboration with the moderate states in Africa in the cause of African emancipation. No longer tied to only a regional approach, we shall strengthen our bilateral ties with the nations of Latin America while cooperating with them more fully on their global concerns. We shall continue to pursue a genuine settlement in the Middle East while expanding our relationship with the moderate Arab countries.

5. We shall increase our efforts to develop constructive and cooperative solutions to emerging global issues. Above all, we need to head off any drift toward nuclear proliferation.

6. We shall seek to sustain domestic support for our policies by rooting them clearly in our moral values. We believe that our devotion to human rights is responsive to man's yearning everywhere for greater social justice.

This is an ambitious agenda. We shoulder the responsibilities it imposes on us willingly. But obviously we cannot shoulder them alone. Success will require greater cooperation, above all with our closest friends.

THE CENTRALITY OF U.S.-JAPAN RELATIONS

Japan is clearly such a close friend. We have been impelled toward a special relationship with Japan by the force of history and by strategic and economic imperatives. The members of this society have long recognized the basic proposition I wish to affirm this evening: Close partnership between the United States and Japan is a vital foundation for successful pursuit of America's wider objectives in the world. If relations between America and Japan are strong, we benefit and the world benefits; when we run into difficulties, we suffer and others suffer with us.

Our alliance not only protects the security of Japan and America; it has also become a central element in the equilibrium in the Pacific, which all the Major Powers share a stake in preserving.

Japan is our largest overseas trading partner; trade between us exceeded $29 billion in 1977. Economic cooperation confers benefits on each of us; it also sustains the prosperity of the Pacific Basin, and the stability of the international trade and payments system.

Effective responses to pressing global issues—whether the development of alternative sources of energy, expanding food production, assuring equitable access to the riches of the ocean area, or stemming nuclear proliferation—demand active collaboration between us.

In short, we are mutually dependent. No relationship in our foreign policy is more important. None demands more careful nourishment.

While cooperation between the United States and Japan is indispensable, it is not automatically assured. Managing our relationship has become more challenging as our links have grown more numerous and more complex, and as each nation's policies have come to have a more direct impact on the welfare of the other's people. Moreover, most of the problems we face are bigger than both of us—they are not susceptible to bilateral resolution, and they arise most frequently in multilateral forums.

It is scarcely surprising, therefore, that our relations have not been entirely free of difficulties. Over the last year, for example, our approaches to nuclear reprocessing diverged to some extent, and we experienced a large trade imbalance.

In each case we consulted closely. We devised arrangements for managing these problems which reflected both our respective concerns and the broader interests of the international community. We demonstrated that the test of effective ties between societies as dynamic as ours and economies as competitive as ours is not the absence of problems, but the spirit in which we confront them, and the competence with which we resolve them.

THE CURRENT CHALLENGE

Our interests and Japan's require that we broaden and deepen our ties, adapting our relationship to an era in which our policies have a global impact. This imposes on each of us an obligation to take each other's interests and perspectives carefully into account on a wider and wider range of issues.

Japan's extraordinary economic growth has challenged it to define a wider vision of its role in the world—in Asia and beyond. Japanese decisions, which once would have been considered domestic in character, now impinge directly on the interests of distant nations. Japan's capacity to promote global economic development, to aid its neighbors, to promote a constructive North-South dialogue, to encourage the reconciliation of former rivals, and to provide for its own de-

fense have grown. So have the expectations of Japan on the part of the international community. A commitment of Japan's political and economic capabilities to the achievement of major global goals is essential to a strong U.S.-Japanese relationship.

In recent years the United States has placed its relationship with Japan primarily in a setting of collaboration among the advanced democratic countries. This is entirely appropriate. It is important that we remember, however, that while Japan is an industrial power, it is also an Asian nation, acutely interested in the continuity of America's role in the Pacific. Uncertainties about our Asian intentions have inevitably arisen in the wake of our disengagement from Indochina, and our planned ground force withdrawal from Korea. A strong American role in the Pacific remains essential for the protection of our own strategic interests. It is also an important factor in our relationship with Japan.

We must adjust our relationship to accommodate these concerns.

BROADENING U.S. COOPERATION WITH JAPAN ON GLOBAL ECONOMIC AND POLITICAL ISSUES

In the economic field, the world has had to accommodate to Japan's growing strength, even as Japan has been adapting its own policies to shoulder the responsibilities which strength confers.

Neither we nor the Japanese have adjusted policies quickly enough in recent years to avoid major difficulties. Consequently our economic relations have been marked over the past year by a growing Japanese current account surplus, sharp imbalance in our bilateral trade, a huge U.S. balance of payments deficit, and currency disorders. These structural problems arise particularly out of the dramatic growth in U.S. oil imports in recent years, and from Japan's transition to an era of lower economic growth. They have global consequences.

Only through concerted action by all the advanced industrial democracies can we deal effectively with our common problems. We will all go forward together to lower trade barriers, or succumb together to protectionism. That is why we must assure a continued expansion in world trade through the successful conclusion of the Multilateral Trade Negotiations in Geneva this summer. The United States has taken the lead by presenting a forthcoming tariff offer which we expect other strong economies to match.

The United States and Japan must bear special responsibilities for actions which will not only reduce barriers to trade through a fair and balanced MTN agreement, but also promote continued economic recovery, check disorderly exchange rate movements, encourage energy conservation and the development of alternative sources, and increase the transfer of resources to promote growth in the economies of the developing nations. We cannot afford to pursue beggar-thy-neighbor policies, export our domestic problems to others, or look for scapegoats. We have a mutual responsibility to deal with the fundamentals of these problems.

The United States must take decisive action in several areas:

The implementation of an effective energy program is the most important step. We must substantially reduce our oil imports if we are to reduce our current accounts deficit, diminish pressures on the dollar, and stabilize international money markets.

The Administration presented an energy bill to the Congress more than a year ago. We need action, and if Congress does not act, then the Executive Branch must. While the United States has the largest problem in this respect, the question of how to take joint action to conserve and develop alternative sources of energy must engage the efforts of all advanced nations as well—and particularly those like Japan which experience extraordinary dependence on external sources of supply.

We must bring inflation under control not only for domestic reasons, but also to bolster our competitiveness in international trade.

We must devote more effort to the promotion of American exports. In the months to come the Administration shall look not only for ways to encourage exports but to reduce or eliminate current governmental practices which reduce our competitiveness and discourage our business community from searching out overseas markets.

These adjustments are required not only to underpin our economic position in the world, but to enhance the stability and growth of the international economy, and thus fortify our economic ties with Japan.

Japan must make comparable structural adjustments for it has become too large an economy to rely on export-led growth.

The Japanese Government recognizes the need for such adjustments and has begun actions designed to achieve sharp reductions in its current accounts surplus in 1978; an economic growth rate of 7% this fiscal year; an MTN agreement assuring the U.S. of reciprocal and roughly equivalent access to the Japanese market; and expanded long-term capital flows to the developing countries.

These measures are essential to the vitality of the world economy as well as the continued health of our bilateral relations. We must be decisive in action, and patient in awaiting the results.

If one looks beyond current economic problems, there is a remarkable consonance of view between the United States and Japan on virtually all major international issues. We intend to sustain this confluence in our approaches toward the Major Communist Powers, toward Asian issues, toward the North-South dialogue, and toward major international negotiations. We look for Japan to play a more active political role in dealing with such matters. It is neither necessary nor possible to preserve identical policies on such issues, but the development of compatible approaches to common problems should be an objective for us both.

AMERICA'S ROLE IN ASIA

Close cooperation between us is especially important in Asia. There have been recurrent suggestions that the U.S. is withdrawing from Asia. These suggestions are untrue. The United States will maintain a strong and diversified military presence and an active diplomacy in the Asian-Pacific region to support our growing economic and political stakes in the area.

Above all, we shall sustain the Treaty of Mutual Cooperation and Security with Japan. For Japan this Treaty offers strategic protection and firm moorings for its diplomacy. For the United States alliance with a Japan steadily improving its self defense capabilities provides the anchor for our position in East Asia, and extends the reach of our strategic and political influence in the Pacific. Beyond these reciprocal benefits, our alliance contributes to the stability of Northeast Asia and the Pacific, and it threatens no one.

We will manage ground combat force withdrawals from Korea in a prudent fashion and help build up South Korea's capabilities in order to assure that there is no weakening of its defenses.

We shall preserve the strength of the 7th Fleet and our air units in the Pacific while improving them qualitatively.

We shall strengthen our ties with our traditional allies in Australia and New Zealand.

And we shall seek to assure our continued access to military facilities in the Philippines through arrangements which take full account of Philippine sovereignty over the bases.

We shall deepen our bilateral relations with the non-Communist states of Southeast Asia, and encourage the growing cohesion of ASEAN. And we shall persevere in our measured efforts to develop constructive relationships with Indochina.

In recent years Asian nations have come to depend more heavily upon U.S. trade and investment as a result of our strong and steady growth and the comparatively greater access Asian producers of manufactured goods enjoy in our market. We expect that to continue.

The American-Chinese relationships is a central element of our global policy. We shall endeavor to expand our relations with the People's Republic of China. It is important that we make progress in normalizing relations with China, and we shall consult with the Chinese on major international matters that are of importance to us both.

The steady implementation of these policies is required by our own interests, and should converge with Japanese interests.

Our defense cooperation, specifically, is excellent. Japan is strengthening its air and naval defenses. Cooperation between our uniformed services is growing. Base issues arise less frequently, and are resolved amicably. Last fall Japan agreed to help with some of the expenses associated with our military presence.

We look for these trends to evolve further, even as Japan continues to remind the world that security cannot be achieved through military strength alone. Through such measures as Prime Minister Fukuda's trip to Southeast Asia last summer, Japan has undertaken to expand its role in Asian development, speed the development of a strong regional grouping in Southeast Asia, and discourage the emergence of polarization between two antagonistic blocs in that area. These are constructive steps and we welcome their vigorous implementation.

In the weeks ahead, there will be visible evidence of our resolve to intensify America's diplomatic efforts in Asia.

Vice President Mondale will depart Saturday for Southeast Asia and the Southwest Pacific. He will visit the Philippines, Thailand, Indonesia, Australia, and New Zealand, on a mission which we consider of great importance. Important changes are taking place in that region. The Vice President will be assessing the force and direction of those changes in order to offer recommendations on how we can continue to play a constructive role commensurate with our significant stake in the prosperity and security of that area.

On May 3 Prime Minister Fukuda will visit Washington for consultations with President Carter. We welcome this chance to harmonize our approaches to key issues in advance of the Bonn Summit in July. The two leaders know and respect each other; I know personally that they work well together.

On May 18 I will embark on a trip to Northeast Asia. In Peking I will discuss global issues of parallel concern with Chinese leaders. Subsequently I will visit Tokyo and Seoul to hold consultations with the leaders of Japan and the Republic of Korea.

CONCLUSION

The relationship that has developed between the United States and Japan is uniquely significant. Despite differences in our national situation and national styles, we have fashioned ties that are rooted in shared interests and common values—our

commitment to democratic procedures, civil rights, the market system, a free press and open societies.

The attributes of the Japanese people and nation are formidable. As a people and a nation we have come to respect, admire and often learn from Japan—even as we compete. This is the essence of our interdependence which has been built carefully with trust, vitality, and common purpose.

Looking back at what we have created over the past 30 years, we can assert with confidence that we have established a permanent partnership of value not only to ourselves but to the entire world community.

We shall work to assure its durability.●

SENATE LEGISLATIVE ACHIEVEMENTS—JANUARY 19, 1978–MAY 26, 1978

Mr. ROBERT C. BYRD. Mr. President, during the first 4 months of the second session of the 95th Congress, the Senate debated and passed legislation of profound importance to the Nation and its citizens. In at least two instances, the Senate action culminated years of work on a particular piece of legislation.

Senate approval of the historic Panama Canal treaties, for instance, marked the culmination of 14 years of negotiation by the executive branch on the thorny issues surrounding the Panama Canal. Only the Treaty of Versailles required more than the 271 hours of debate that were devoted to the Panama Canal treaties. The careful examination and study by Senators of the canal treaties resulted in important clarifications of the American right to defend the canal, and to priority passage for our ships in time of need or emergency.

The debate marked a milestone in the history of the Senate, with broadcasts of Senate sessions allowed for the first time through National Public Radio's network of 211 stations. Senate approval of the treaties represented a landmark in our relations not only with Panama, but also with all the other nations of Latin America.

Despite the tendency to think of the past 4 months in terms of the Panama Canal treaties, the Senate also passed a number of other extremely important pieces of legislation.

The Senate, early this session, totally overhauled the Nation's Federal criminal laws—the first codification of our criminal laws in history, and the culmination of work that began over 10 years ago. We also passed a number of smaller bills to improve the judicial system.

In the area of child abuse and pornography, two bills were signed into law this year to protect the well-being of our children. It is now a Federal offense to use children in the production of pornographic materials which are to be mailed or otherwise transported in interstate or foreign commerce. Boys and young men are now protected under the Mann Act. Congress authorized programs to prevent sexual abuse of children and to treat abuse and neglect when they occur. Interstate adoptions and placement of children with special needs in permanent adoptive homes will be facilitated under new laws.

To remedy widespread misuses of wiretapping equipment, the Senate passed legislation requiring a warrant to conduct electronic surveillance for foreign intelligence purposes within the United States for a defined period of time.

In response to the urgent need for effective international safeguards and controls on peaceful nuclear activities, the Congress enacted the Nuclear Nonproliferation Act which is the most comprehensive piece of nuclear legislation since the Atomic Energy Act of 1954. This new law, which was the product of 2½ years of work by members of three committees on the Senate side alone, sets up a more effective framework for international cooperation to meet the energy needs of all nations and to assure that nuclear exports do not contribute to proliferation. This law will lessen the proliferation of nuclear materials and technology by giving nations incentives to join in nonproliferation activities and to ratify the Nuclear Nonproliferation Treaty.

More recently, the Senate approved overwhelmingly legislation to restore a measure of free market competition to the commercial passenger airline industry. Consumers will benefit from airline deregulation by lower long-distance air fares. Cuts in air service to small communities have been safeguarded against in the bill as passed the Senate.

To alleviate the plight of American farmers, the Congress acted on two measures. The Secretary of Agriculture was given discretionary authority to increase the target prices for agricultural commodities for the next four years and Federal agricultural financial assistance programs were expanded. A special farm credit measure establishing a new economic emergency loan program, which is now in conference, will further increase assistance to hard-pressed farmers and ranchers.

Approval earlier this week by Senate and House conferees of a compromise to gradually remove Federal price controls on natural gas paves the way for enactment of the President's energy package. No Congress since 1956 has been able to reach agreement on this issue.

Among other important actions taken this year, the Senate supported the President's sale of aircraft to Egypt, Israel, and Saudi Arabia. We authorized $2.4 billion for public works improvements for navigation on inland waters and imposed an inland waterway fuel tax on commercial barges. We established minimum Federal standards governing the termination and nonrenewal of gas station franchises. We simplified certain requirements of the Truth-in-Lending Act and expanded the Redwood National Park by 48,000 acres. We recommended budget levels in the first congressional budget resolution.

A summary of major legislation the Senate has passed this year is contained in a report prepared by the staff of the Democratic Policy Committee. I ask unanimous consent that this report be printed at this point in the RECORD.

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

MAJOR LEGISLATION SUMMARY

(95th Congress—2d Session)

Agricultural Credits. Amends the Consolidated Farm and Rural Development Act in order to improve Federal agricultural assistance program; establishes a new economic emergency loan program for farmers and ranchers; and amends and extends the Emergency Livestock Credit Act of 1974. H.R. 11504—Passed House April 24, 1978; Passed Senate amended May 2, 1978; In conference. (146)

Airline deregulation. Sets forth U.S. policy to develop an air transportation system which places increased reliance on market competition, with safeguards against unfair or predatory practice or decreases in services to smaller communities;

Revises current standards governing entry application for interstate and overseas scheduled air transportation to promote competition by directing the Civil Aeronautics Board (CAB) to authorize proposed air transportation entries unless it determines that such transportation is not consistent with the public covenience and necessity, thereby negating current policy whereby a proposed new service must be "required" by the public convenience and necessity; establishes a graduated automatic entry program by allowing existing carriers to enter one new route a year for the first two years and two new routes a year thereafter without CAB approval; provides a five-year adjustment period to the automatic entry program during which carriers may place a limited number of their routes outside automatic entry and during which subsidized and smaller carriers will be protected by limiting the number of their unprotected routes;

Contains provisions throughout the bill requiring expedient action on all applications, complaints, and other matters filed before the CAB; and creates a new section of the Federal Aviation Act to insure surveillance of safety standards throughout the transitional period of reform. S. 2493—Passed Senate April 19, 1978. (146)

Criminal code reform. Creates for the first time a systematic, consistent and comprehensive Federal criminal code to remedy the hodgepodge that now exists, by replacing title 18 with a "Federal Criminal Code"; creates a Sentencing Commission to establish guidelines to govern the imposition of sentences for all Federal offenses, taking into consideration factors relating to the purposes of sentencing (deterrence, protection of the public, assurance of just punishment and rehabilitation), the characteristics of the offender, and the aggravating and mitigating circumstances of the offense; provides for a penalty structure of consistent penalties for conduct of a similar nature or seriousness; provides for appellate review of a sentence by appeal of the defendant if it exceeds the maximum guideline for such a crime or by the government if it is less than the minimum; provides that the maximum term of imprisonment established by the Commission shall not exceed the minimum by more than 25 percent; requires the Commission in promulgating guidelines to consider alternatives to incarceration for nonviolent first offenders; allows pretrial detention of an individual charged with a serious crime such as murder, rape, armed kidnapping, drug trafficking, and armed robbery; reduces the present 79 different terms to define states of mind to four: intentional, knowing, reckless, or negligent; applies sex offenses without discrimination to both men and women and includes forcible sodomy in the definition of rape; provides that rape by means of

force, threats of imminent serious injury, kidnapping or drugs will be punishable even where the victim is married to the offender; eliminates corroboration of a victim's testimony; prohibits defense or grading distinction based upon the promiscuity of the victim and severely restricts inquiry into the prior sexual conduct of the victim; expands the offense of kidnapping to include a case in which one holds his own child for ransom, as a hostage, or with similar criminal intent; provides that simple possession of more than 100 grams (about 1 pound) of an opiate (which retails for at least $4,000) is made a more serious offense than a simple possession of other drugs; makes possession of 30 grams (about one ounce) or less of marijuana subject to prosecution by summons rather than arrest, reduces the penalties and has liberal provisions for expungement of the record of conviction; and contains provisions regarding wiretapping, racketeering, white collar crimes, among others. S. 1437—Passed Senate January 30, 1978. (21)

Emergency Agricultural Act. Amends the Food and Agricultural Act of 1977 to give the Secretary of Agriculture discretionary authority to increase the target prices for wheat, feed grains and upland cotton for the 1978 through 1981 crops whenever a set-aside program is in effect for one or more of these crops; if the target price is increased for any commodity for which a set-aside is in effect, allows the Secretary to increase the target price for any other commodity in such amounts as he determines necessary for the effective operation of the program; makes technical changes in the formula contained in the 1977 Farm Act for computing the loan level for upland cotton, and sets a minimum loan level of 48 cents per pound regardless of the formula for the 1978–81 crops; increases the borrowing authority of the Commodity Credit Corporation from $14.5 to $25 billion, effective Octber 1, 1978; and provides that the Secretary may permit the acreage set-aside or diverted from the production of a commodity to be devoted to the production of any other commodity for the conversion into gasohol if the Secretary determines that such production is desirable in order to provide an adequate supply of gasohol and will not adversely affect farm income. H.R. 6782—Public Law 95–279, approved May 15, 1978. (72, 85)

First budget resolution, 1979. Recommends 1979 total estimated revenues of $447.9 billion, budget outlays of $498.8 billion, budget deficit of $50.9 billion, budget authority of $568.85 billion, and public debt level of $849.1 billion as compared to the President's recommendations of $439.6 billion in estimated revenues, $500.2 billion in budget outlays, $60.6 billion in budget deficits, $568.2 billion in budget authority, and $867.5 billion as the public debt level. S. Con. Res. 80—Action completed May 17, 1978. (140)

Foreign Intelligence Surveillance. Requires that all foreign intelligence electronic surveillance within the United States, as well as some overseas interceptions, be subject to a judicial warrant requirement based on the probable cause; prohibits the dissemination of information concerning U.S. persons which does not relate to national defense, foreign affairs, or the terrorist, sabotage or clandestine activities of a foreign power; sets limits on the dissemination of information relating solely to national defense or foreign affairs; requires certification, from an appropriate executive branch official, that any information sought by the surveillance is related to, and in the case of surveillance of a U.S. person is necessary to, the national defense, the national security, or the successful conduct of the foreign affairs of the United States; allows the court to approve electronic surveillance for foreign intelligence purposes for a period of 90 days or, in the case of a foreign government, faction, or entity openly controlled by a foreign government, for a period of up to 1 year; permits emergency surveillance without a court order in limited circumstances, but provides that a court order must be obtained within 24 hours of the initiation of any emergency surveillance; and sets forth civil and criminal sanctions for violation of the bill's provisions. S. 1566—Passed Senate April 20, 1978. (128)

Middle East Arms Sales. States the objections of the Congress to the President's proposed sale of fifty F–5 aircraft to Egypt, fifteen F–15 aircraft and seventy-five F–16 aircraft to Israel, and sixty F–15 aircraft to Saudi Arabia. S. Con. Res. 86—Senate rejected disapproval resolution May 15, 1978. (161)

Nuclear Non-Proliferation Act. Establishes a more effective framework for international cooperation to encourage development of peaceful nuclear activities to meet energy needs and to assure that export by any nation of nuclear materials and technology does not contribute to proliferation; authorizes the United States to take such actions as are required to insure that it can act reliably in licensing the export of nuclear reactors and fuel to nations which share our nonproliferation policies; provides incentives to other nations to join in nonproliferation activities and to ratify the Nuclear Non-Proliferation Treaty; and sets forth effective controls by the United States over its exports of nuclear materials, equipment and technology. H.R. 8638—Public Law 95–242, approved March 10, 1978. (30)

Redwood National Park Expansion. Increases the authorized acreage of the Redwood National Park by approximately 48,000 acres to bring the total acreage to 106,000; designates an additional 30,000 acres as a "park protection zone" which the Secretary of Interior, following notice to the appropriate Congressional committees, may acquire upon a finding that failure to acquire all or a portion of the land could result in physical damage to the park resources, and contains provisions designed to protect persons adversely affected by the park expansion. S. 1976—Public Law 95–250, approved March 27, 1978. (24, 73)

Panama Canal Neutrality Treaty. Establishes a permanent regime of neutrality in order that both in time of peace and in time of war the Canal shall remain secure and open to peaceful transit;

Provides that Panama and the U.S. agree to maintain the regime of neutrality beginning in the year 2000 which shall be maintained in order that the Canal shall remain permanently neutral and applies the same regime to any other international waterway that may be built in Panama; by amendment, provides that each country shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality and consequently shall have the right to defend the Canal against any threat or aggression but this shall not be interpreted as a right of intervention into the internal affairs of Panama or against the territorial integrity or political independence of Panama; provides that beginning in the year 2000 Panama alone shall operate the Canal and maintain all military forces and installations within Panama's territory; provides, as a condition to the resolution that notwithstanding these provisions, if the Canal is closed or its operation is interfered with, the U.S. and Panama may unilaterally take steps it deems necessary to reopen the Canal or restore its operation, including the use of military forces in Panama;

Provides as a condition that nothing in the Treaty shall preclude Panama and the U.S. from making, in accordance with their respective constitutional processes, any agreement to facilitate their responsibility to defend the Canal including an agreement for continued U.S. military presence in Panama;

Provides that the war and auxiliary vessels of the U.S. and Panama shall have the right to transit the Canal expeditiously; by amendment, states that this expeditious transit shall include the right to go to the head of the line of vessels in order to transit the Canal rapidly in case of need or emergency; provides as a reservation that such need or emergency shall be determined by the nation operating the vessel;

Provides before the Treaty can go into force that the U.S. and Panama must negotiate an agreement under which the American Battle Monuments Commission would administer the American Sector of the Corozal Cemetery and makes provision for the transfer of the remains of other Americans buried at Mount Hope Cemetery;

Contains as a reservation a prohibition on economic assistance, military grant assistance, security supporting assistance, foreign military sales credits or international military education and training to Panama; and provides that all amendments, reservations, understandings, declarations and other statements incorporated by the Senate in its resolutions of ratification be included in the instrument of ratification exchanged with the government of Panama. Ex. N, 95th-1st—Resolution of Ratification agreed to March 17, 1978.

Panama Canal Treaty. Terminates prior United States-Panama treaty relationships concerning the Canal and establishes a partnership arrangement for the operation, maintenance and defense of the Panama Canal by the United States and Panama through December 31, 1999; provides that the treaty enter into force simultaneously with the Neutrality Treaty, six months from the date of exchange of instruments of ratification; by reservation, provides that exchange of the instruments of ratification shall not be effective prior to March 31, 1979, and the treaties shall not enter into force prior to October 1, 1979, unless implementing legislation has been enacted before March 31, 1979;

Grants to the U.S. the rights to manage, operate and maintain the canal including the right to establish and collect tolls; provides that the U.S. carry out these responsibilities for the management, operation and maintenance of the Canal through a new United States government agency, the Panama Canal Commission, which will replace the Panama Canal Company and the Canal Zone Government and which will be supervised by a board of nine members, five Americans and four Panamanians; requires the Commission to reimburse Panama $10 million semiannually for costs incurred by Panama in providing various public services in the canal operating area and in certain housing areas; by an understanding, requires the U.S. and Panama to agree on specific levels and quality of services to be provided by Panama for the $10 million annual payment for services which are essential to the effective functioning of the canal, to examine the cost of services every three years and to resubmit any disagreement between the United States and Panama to a binding independent audit;

Grants the U.S. the primary responsibility for the protection and defense of the canal for the duration of the treaty; by reservation, provides that the right to intervene militarily in Panama to keep the canal open and operating (pursuant to the DeConcini condition to the resolution of ratification of the Neutrality Treaty) shall not have as its

purpose or be interpreted as a right of intervention into the internal affairs of Panama or interference with its independence or sovereign integrity; provides for the establishment of a Combined Board comprised of an equal number of senior military representatives from the two countries to facilitate planning and cooperation between the armed forces of both;

Provides that Panama and the U.S. study jointly the feasibility of a sea-level canal and enter into negotiations for its construction in the event that it is determined that such a facility is necessary; prohibits, for the duration of the treaty, construction of a canal except in accordance with the provisions of this treaty or as the U.S. and Panama may otherwise agree; prohibits the U.S. from negotiating with other countries for the right to construct an interoceanic canal on any other route during the life of the treaty; provides as a reservation that the instruments of ratification to be exchanged shall include provisions whereby each party agrees to waive these two prohibitions;

Upon entry into force, transfers to Panama all right, title and interest which the U.S. may have in real property and non-removable improvements located in areas not reserved for U.S. use under the treaty; provides that upon termination of the treaty, Panama will assume total responsibility for the Panama Canal which shall be turned over in operating condition free of liens and debts;

Provides that Panama receive payments to be derived from canal operating revenues as "a just and equitable return on the national resources which it has dedicated to" the Panama Canal as follows: (a) a share of tolls mounting to 30 cents per Panama Canal ton of shipping transiting the canal; (b) a fixed amount of $10 million per year; and (c) an additional sum up to $10 million per year if the Canal operating revenues yield a surplus over expenditures including other payments made under the treaty; by reservation, provides that any accumulated unpaid balance under item (c) at the termination of the treaty shall be payable only to the extent of any operating surplus in the last year of the treaty's duration and that nothing shall be construed as obligating the U.S. to pay any unpaid balance and that no Treasury funds my be used for any of the above three payments without statutory authorization; and by amendment to the resolution of ratification, requires the Panama Canal Commission to reimburse the U.S. for interest on funds or other assets directly invested by the U.S. Commission or its predecessor Panama Canal Corporation. Ex. N, 95th-1st—Resolution of Ratification agreed to April 18, 1978. (119)

Water resources projects—Waterway User Fee. Authorizes $2.4 billion for certain public works for improvement of navigation on U.S. inland waters and sundry water resources projects in 34 states; for such purposes as flood control, water supply and beach restoration; includes authorization of $421 million for replacement of locks and dam 26 at Alton, Illinois, on the Mississippi River with a new dam and a single 1,200-foot lock; imposes a fuel tax of four cents per gallon on shallow-draft commercial vessels that use the inland waterways which will begin in 1982 or when construction begins on locks and dam 26, whichever is sooner, and increase to 12 cents eight years later; and directs the Secretaries of Commerce and Transportation jointly to undertake a study regarding the impact of fuel taxes on inland waterway users or alternative or supplemental charges and to report findings and recommendations to Congress within three years. H.R. 8309—Passed House October 13, 1977; Passed Senate amended May 4, 1978; Senate requested conference May 4, 1978. (153)

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair on behalf of the Vice President appoints the following Senators to be delegates to the International Conference on Training and Certification of Seafarers, to be held in London, England, from June 14 through July 7, 1978:

The Senator from Washington (Mr. MAGNUSON), and the Senator from Alaska (Mr. STEVENS).

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following calendar orders numbered 766, 767, 795, 796, 803, 806, 833, 841, and 845.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I rise only to inform the majority leader that the calendar order numbers that he identified are cleared on our calendar and we have no objection to proceeding to their consideration and passage at this time.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

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

WATER RESOURCES PLANNING ACT AMENDMENTS

The Senate proceeded to consider the bill (S. 2701) to amend the Water Resources Planning Act (75 Stat. 244, as amended), which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 1, line 4, strike "75" and insert "79";

On page 1, line 9, strike "75" and insert "79";

On page 2, line 4, strike "75" and insert "79";

On page 2, line 7, strike "$1,299,000" and insert "$2,872,000";

On page 2, line 9, strike "75" and insert "79";

On page 2, line 11, strike "$3,000,000" and insert "$5,000,000";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 401(a) of the Water Resources Planning Act of 1965 (79 Stat. 244, as amended) is hereby amended by deleting the words: "not to exceed $6,000,000 for fiscal year 1978" and inserting in lieu thereof "the sum of $2,886,000 for fiscal year 1979".

(b) Section 401(b) of the Water Resources Planning Act (79 Stat. 244, as amended) is further amended by deleting the words: "not to exceed $2,000,000 for fiscal year 1978" and inserting in lieu thereof: "the sum of $3,328,000 for fiscal year 1979".

(c) Section 401(c) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words "not to exceed the sum of $3,905,000 for fiscal year 1978" and inserting in lieu thereof: "the sum of $2,872,000 for fiscal year 1979".

(d) Section 301(a) of the Water Resources Planning Act (79 Stat. 244, as amended) is amended by deleting the words: "for fiscal years 1977 and 1978, $5,000,000 in each such year" and inserting in lieu thereof: "$5,000,000 for fiscal year 1979".

SEC. 2. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases authorized by law.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–835), explaining the purposes of the measure.

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

PURPOSE

S. 2701, as amended, extends the provisions of the Water Resources Planning Act of 1965 through fiscal year 1979, and authorizes several river basin studies.

GENERAL STATEMENT

The Water Resources Planning Act of 1965 (Public Law 89–80) declared that it was the policy of the Congress to encourage the conservation, development, and utilization of water and related land resources of the United States on a comprehensive and coordinated basis by the Federal Government with the cooperation of all affected Federal agencies, States, and other interested parties.

Title I of the act established the Water Resources Council; title II authorized the establishment of river basin commissions; and title III authorized financial assistance to States for water-related planning by means of matching grants.

S. 2701, as amended, extends these three titles for 1 additional year. The committee believes this is prudent with the national water policy review, which is not yet complete. The committee expects that such policy review will be an issue for careful and full consideration by the committee later this year and early in the 96th Congress.

A bill before the committee, S. 2577 would alter the nature of water resources planning within the executive branch. The committee anticipates that other similar proposals will be made. The reporting of this 1-year extension does not prejudice actions on proposals such as S. 2577 later this year or early next year.

COMMITTEE VIEWS

The Committee on Environment and Public Works believes that the programs authorized by Public Law 89–80 for the Water Resources Council should continue through fiscal year 1979. This continuation will allow the administration time to review the findings and recommendations of both the water resource policy study and the President's reorganization project. A determination, in consultation with Congress as to the best institutional arrangement at the Federal level for overseeing the management of our Nation's water resources will then be made. Appropriate changes in the Water Resources Council and other water agencies will be considered in that context.

COST OF LEGISLATION

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the committee's estimate of the cost of the reported legislation, together with estimates prepared by any Federal agency. S. 2701 as introduced contained a Federal cost of $10,513,000. The bill as amended by the Committee on Environment and Public Works contains a Federal cost of $14,095,900.

The amendments were agreed to.

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

The title was amended so as to read:

A bill to amend the Water Resources Planning Act (79 Stat. 244, as amended).

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

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

The motion to lay on the table was agreed to.

WATER RESEARCH AND DEVELOPMENT ACT OF 1978

The Senate proceeded to consider the bill (S. 2704) to promote a more adequate and responsive national program of water research and development, and for other purposes, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 13, line 4, strike "200" and insert "201";

On page 13, line 17, strike "201" and insert "202";

On page 14, line 23, strike "202" and insert "203";

On page 15, line 17, strike "203" and insert "204";

On page 15, line 19, strike "204" and insert "205";

On page 16, beginning with line 17, strike through and including page 18, line 19;

On page 18, line 22, strike "300" and insert "301";

On page 19, line 14, strike "301" and insert "302";

On page 20, line 22, strike "302" and insert "303";

On page 21, line 10, strike "400" and insert "401";

On page 23, line 5, strike "401" and insert "402";

On page 23, line 8, strike "$110,000" and insert "$150,000";

On page 23, line 10, strike "such sums as are necessary" and insert "and an amount not to exceed $180,000 to each participating institute, on a cost-sharing basis,";

On page 23, line 15, strike "$750,000";

On page 23, at the beginning of line 17, insert "$750,000";

On page 23, line 18, strike "such sums as are necessary" and insert "$1,350,000";

On page 24, line 6, strike "$4,000,000" and insert "$10,000,000";

On page 24, line 7, strike "such sums as are necessary for fiscal year 1980" and insert "$10,000,000 for the fiscal year ending September 30, 1980";

On page 24, line 20, strike "such sums as are necessary for fiscal year 1980" and insert "$3,200,000 for the fiscal year ending September 30, 1980";

On page 25, line 3, strike "402" and insert "403";

On page 25, line 6, strike "$8,800,000" and insert $10,000,000";

On page 25, line 6, strike "such sums as are necessary for fiscal year 1980" and insert "$10,000,000 for the fiscal year ending September 30, 1980";

On page 26, line 1, strike "403" and insert "404";

On page 26, line 3, strike "such sums as are necessary" and insert "$4,464,000";

On page 26, line 7, strike "404" and insert "405";

On page 26, line 25, strike "405" and insert "406";

On page 26, line 23, strike "406" and insert "407";

On page 29, line 14, strike "407" and insert "408";

On page 30, line 3, strike "408" and insert "409";

On page 30, line 13, strike "409" and insert "410";

On page 30, line 24, strike "410" and insert "411";

On page 31, line 5, after the period, insert "Nothing contained in this Act shall be construed to alter the authority of section 2 of Public Law 95-84.";

So as to make the bill read:

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

SECTION 1. This Act may be cited as the "Water Research and Development Act of 1978".

FINDINGS

SEC. 2. The Congress finds and declares that—

(a) providing for the protection of the Nation's water resources, assuring an adequate supply of water of good quality for the production of food, materials, and energy for the Nation's needs, and increasing the efficient use of the Nation's water resources are essential to national economic stability and growth, and to the well-being of our people;

(b) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at both the Federal and State levels;

(c) there should be a continuing national investment in water-related research and technology which is commensurate with growing national needs; and

(d) the manpower pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of this Act to assist the Nation and the States through water resources science and technology—

(a) to provide a supply of water sufficient in quantity and quality to meet the Nation's expanding needs for the production of food, materials, and energy;

(b) to preserve and enhance our water resources and the water related environment;

(c) to promote conservation and efficient use of the Nation's wate resources;

(d) to promote research and development demonstration, and technology transfer dealing with both quality and quantity of water resources;

(e) to identify and find practical solutions to the Nation's water and water resources related problems;

(f) to promote the training of scientists, engineers, and other skilled personnel in the fields related to water resources;

(g) to foster and supplement present programs for the conduct of research, technology development and transfer, and innovative water resources management, conservation, and operating practices;

(h) to provide for research, development, technology demonstration and transfer with respect to converting saline and other impaired waters to waters suitable for municipal, agricultural, industrial, recreational, or other beneficial uses;

(i) to disseminate information through the maintenance of a water resources scientific information center with adequate information bases so that the Nation's water research community, by utilizing the center, can be fully informed of on-going research, completed research, and other types of information necessary for them to effectively conduct their work;

(j) to better coordinate the Nation's water resources and development programs; and

(k) to enhance the capacity of the Federal water establishment, and of water interests nationwide, for recommending to the President and the Congress changes in national water resources research and technology policy as appropriate.

TITLE I—WATER RESOURCES RESEARCH AND DEVELOPMENT

SEC. 101. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is hereby authorized and directed to assist in carrying on the work of a competent and qualified water resources research and technology institute, center, or equivalent agency (hereinafter referred to as "institute") at one college or university in each State, which college and university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503, 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or some other institution designated by Act of the legislature of the State concerned: *Provided,* That: (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1962, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the Secretary's determination that such college or university has, or may reasonably be expected to have, the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute; (3) a designated college or university may arrange with other colleges and universities within the State to participate in the work of the institute.

(b) (1) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated or other colleges or universities within the State, to conduct competent research and development including investigations and experiments of either a basic or practical nature, or both, in relation to water resources, to promote dissemination and application of the results of these efforts, and to provide for the training of scientists and engineers through such research, investigations, and experiments;

(2) The research, investigations, experiments, and training may include, without being limited to, aspects of the hydrologic cycle; supply and demand for water; saline water conversion; conservation and best use of available supplies of water and methods of increasing such supplies; water reuse; and economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of water problems; scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resource problems; and providing means for improved communication of research results, having due regard for the varying conditions and needs of the respective States, for water research and development projects now being conducted by agencies of the Federal and State Governments,

and for the need to avoid undue displacement of scientists and engineers elsewhere engaged in water resources research and development;

(3) The annual programs submitted by the State institues to the Secretary for approval shall include assurances, satisfactory to the Secretary, that such programs were developed in close consultation and collaboration with leading water resources officials within the State to promote research, training, and other work meeting the needs of the State. Additionally, it shall be the duty of each State institute to provide the Secretary with periodic information, at the Secretary's discretion, on water resources research and development activities, needs, and priorities within the State which shall be coordinated with State, local, regional and river basin entities, and to cooperate with the Secretary in preparing periodic reports of ongoing research within the State and its funding by both Federal and non-Federal organizations. Institutes are required to see that notices of research projects are submitted to the Center referred to under title III, section 302;

(4) The designated State institutes shall cooperate with the Secretary in the development of five-year water resources research and development goals and objectives; and

(5) The designated institutes will receive and review all research and development proposals from the academic community for technical merit and relevance to priorities and forward all such proposals to the Secretary for consideration and funding.

(c) There is further hereby authorized a program of technology transfer to be carried out by the State institutes. Such funds, as are appropriated for this purpose, shall be made available on a competitive basis to the State institutes, based on the merit of project or program proposals submitted to the Secretary, for the purpose of transferring research and development results to other organizations for further development, demonstration, and practical application.

SEC. 102. Funds appropriated pursuant to this title, in addition to being available for expenses for research and development experiments, and training conducted under authority of this title, shall also be available for printing and publishing the results thereof in the furtherance of technology transfer and for planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs financed under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the water problems involved, and funds appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

SEC. 103. The Secretary is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, may prescribe such procedures, rules, and policies as may be necessary to carry out its provisions. He shall require a showing that institutes designated to receive funds have, or may reasonably be expected to have, the capability of doing effective work. He shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated by the institute under this title, indicate to them such lines of inquiry as to him seem most important, and assist the establishment and maintenance of cooperation among the institutes, other research organizations, the United States Deartment of the Interior, and other Federal establishments.

(b) The Secretary shall develop a five-year water resources research program in cooperation with the institutes and appropriate water entities, indicating goals, objectives, priorities, and funding requirements.

(c) The Secretary shall annually ascertain that the requirements of subsection 101(b) have been met as to each institute, whether it is entitled to receive its share of the annual appropriations for water resources research and development under section 401 (a) of the Act and the amount which it is entitled to receive.

SEC. 104. Nothing in this title shall be construed to impair or modify the legal relation existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

SEC. 105. The Secretary is authorized to make grants to, and finance contracts and matching or other agreements with qualified educational institutions; private foundations or other institutions; and with private firms and individuals whose training, experience, and qualifications are adequate in his judgment for the conduct of water research and development projects; and with local, State, and Federal Government agencies to undertake research and development concerning any aspect of water-related problems which he may deem desirable in the national interest.

SEC. 106. Water resources research and development programs carried out in accordance with this title may include, without being limited to: water use conservation and efficiencies; water and related planning; saline water conversion; water reuse; management and operations; legal systems; protection and enhancement of the water-based environment; institutional arrangements; salinity management; and economic, social, and environmental impact assessment. Due consideration shall be given to priority problems identified by water and related land resources planning, data acquisition and like studies conducted by other agencies and organizations.

SEC. 107. As used in this title, the term "State" includes the Commonwealth of Puerto Rico, the District of Columbia, and the territories of the Virgin Islands and Guam.

SEC. 108. Contracts or other arrangements for water resources work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary, advance payments of initial expenses are necessary to facilitate such work.

SEC. 109. (a) The Secretary is authorized to study, design, implement, operate, and maintain water resources programs and activities demonstrating the technical and economic viability of processes, systems, or techniques for the purpose of improving the water or water-related environment and to demonstrate the application of water resources research and development results and technology for beneficial purposes.

(b)(1) Funds appropriated pursuant to the authority provided by sections 401(c) and 403 for use under this section may not be expended until thirty calendar days (including days on which either the House of Representatives or the Senate are not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the chairman of the Committee on Interior and Insular Affairs of the House of Representatives and the chairman of the Committee on Environment and Public Works of the United States Senate.

(2) Such report shall present information that includes, but is not limited to, the location of the demonstration activities, the characteristics of the water and water-related problem, the processes or concepts to be demonstrated, the estimated initial investment cost of the demonstration, the estimated annual operating cost of the demonstration, the source of energy for the demonstration and its cost, environmental consequences of the demonstration; and the estimated costs associated with the demonstration considering the amortization of all components of the demonstration.

(3) Such report shall also be accompanied by a proposed contract or agreement between the Secretary and a duly authorized Federal or non-Federal public or private entity, in which such entity shall agree to share cost to the extent deemed important to the purposes of the activity as determined by the Secretary. Such proposed contract or agreement may provide that either the contractual entity or the United States will develop the activity described in the report and that the United States will either operate and maintain the activity or may participate in the operation and maintenance during which, in either case, access to the activity and its operating data will not be denied to the Secretary or his representatives.

(4) The Secretary is authorized to include in the proposed contract or agreement a provision for conveying all rights, title, and interests of the Federal Government to the Federal or non-Federal, public or private entity, subject to a future right to reenter the activity for the purpose of financing at Federal expense modifications for advanced technology and for its operation and maintenance for a successive term under the same conditions as pertain to the original term.

TITLE II—WATER RESEARCH AND DEVELOPMENT FOR SALINE AND OTHER IMPAIRED WATERS

SEC. 201. Consistent with the Federal responsibility for water resources development and conservation by means of comprehensive planning, water resources development projects, protection of water quality standards, and other measures for the beneficial use of water from various sources, the Congress finds it necessary to provide for the development of technology for the conversion of saline and other impaired water for beneficial uses. It is the policy therefore to assist and encourage the development of practical means to utilize saline water technology to convert impaired waters of any type from any source to a quality suitable for municipal, industrial, agricultural, and other beneficial uses to transfer research and development results.

SEC. 202. The Secretary is authorized and directed to—

(a) conduct, encourage, and promote basic scientific research and fundamental studies to develop effective and economical processes and equipment for the purpose of converting impaired water into water suitable for beneficial uses;

(b) pursue the findings of research and studies authorized by this title having potential practical applications, including application to matters other than water conversion, and to other supply sources such as brackish waters, staged development, and use with energy sources;

(c) conduct engineering and technical work including the design, construction, and testing of various processes, systems, and pilot plants to develop saline water conversion processes to the point of demonstration;

(d) study methods for the recovery, beneficial uses and disposal of residuals, and marketing of byproducts resulting from the

improvement of conversion of impaired water in an environmentally acceptable manner;

(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial purposes in various parts of the United States by saline water conversion processes and, by means of models or other methodolgies, prepare and maintain information concerning the relation of such conversion processes and systems to other aspects of State, regional, and national comprehensive water resources planning.

SEC. 203. (a) The Secretary is authorized to conduct preliminary investigations and explore potential cooperative agreements with non-Federal utilities and governmental entities in order to develop recommendations for Federal participation in the design, construction, operation, and maintenance of demontsration and prototype plants utilizing advanced saline water technologies for the production fow ater for beneficial use.

(b) In carrying out the provisions of this section, the Secretary shall utilize the expertise of the water and power marketing agencies of the Department of the Interior or of other Federal agencies to insure that the recommended project and the supporting agreements are fully integrated and compatible with the water and power systems of the region.

(c) The Secretary is authorized to accept financial and other assistance from any State or public agency in connection with studies or surveys relating to impaired water and facilities and to enter into contract with respect to such assistance.

SEC. 204. The Secretary may issue rules and regulations to effectuate the purposes of this title.

SEC. 205. As used in this title—

(a) the term "saline and other impaired water" includes but is not limited to seawater, brackish water, mineralized ground or surface water, irrigation return flows, and other similarly contaminated waters;

(b) the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, and other locations under the jurisdiction of the United States;

(c) the term "pilot plant" means an experimental unit of sufficient size used to evaluate and develop new or improved processes or systems and to obtain technical and engineering data;

(d) the term "demonstration" means a plant of sufficient capacity and reliability to demonstrate on a day-to-day operating basis that the process or system is feasible and that such process or system has potential for applications to water system improvement;

(e) the term "prototype" means a full-size, first-of-a-kind production plant used for the development and study of full-sized technology, energy, and process economics.

TITLE III—TECHNOLOGY TRANSFER AND INFORMATION DISSEMINATION

SEC. 301. The Secretary is authorized to conduct a research assessment and technology transfer program which transfers research and development results to other organizations and individuals for further development and practical application to water and water-related problems. The Secretary may enter into agreements with the State and local governments and with other public and private organizations and individuals, including cost-sharing or cost-participation agreements, for the transfer or application of research results for the resolution of water-related problems and to further the transfer developed by programs authorized under this Act. The Secretary may issue publications and may conduct seminars, conferences, training sessions, or use other such techniques he deems necessary to expedite the transfer of research results and technology development. The technology transfer activities will be coordinated with activities undertaken under titles I and II of this Act.

SEC. 302. The Secretary is further authorized to maintain a national center for the acquisition, processing, and dissemination of information dealing with all areas of water resources research, technology development, and demonstration. Each Federal agency engaged in water resources including research, technology development, and demonstration, shall cooperate by providing the center with documents and other pertinent information. The center shall (a) maintain for general use a collection of water resource information provided by Federal and non-Federal government agencies, colleges, universities, private institutions, and individuals; (b) issue publications or utilize other media to disseminate research, technology development, and demonstration information for the purposes of this Act and enter into agreements with public or private organizations or individuals to stimulate acquisition and dissemination of information, thus contributing to a comprehensive, nationwide program of research and development in water resources and the avoidance of unnecessary duplication of effort; (c) make generally available abstracts and other summary type information concerning water resources activities including research accomplished and in progress by all Federal agencies and by non-Federal agencies, private institutions, and individuals, to the extent such information can be obtained, and reports completed on research projects funded under provisions of this Act; and (d) in carrying out the information dissemination activities authorized by this section, the Secretary shall to the extent feasible use the resources and facilities of other agencies and of the clearinghouse for scientific, technical, and engineering information established in the Department of Commerce pursuant to sections 1151 through 1157 of title 15, United States Code.

SEC. 303. There shall be established, in such agency and location as the President determines to be desirable, a center for cataloging current scientific research in all fields of water resources. Each Federal agency doing water resources research shall cooperate by providing the cataloging center with information on work underway. The cataloging center shall classify and maintain for general use a file of water resources research and investigation projects in progress or scheduled by all Federal agencies and by non-Federal agencies of government, colleges, universities, private institutions, firms, and individuals as voluntarily may make such information available.

TITLE IV—GENERAL PROVISIONS

SEC. 401. (a) As used in this Act, the term "Secretary" means the Secretary of the Interior.

(b) In carrying out his functions under this Act, the Secretary may—

(1) make grants to educational institutions and scientific organizations, and enter into contracts with institutions and organizations and with industrial or engineering firms;

(2) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

(3) utilize the facilities of Federal scientific laboratories;

(4) establish and operate necessary facilities and test sites to carry on the continuous research, testing, development, and programming necessary to effectuate the purposes of this title;

(5) acquire processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation pursuant to the Federal Property and Administrative Service Act (40 U.S.C. 471) as amended, where applicable;

(6) assemble and maintain pertinent and current scientific literature, publications, patents, licenses, land and interests in land (including water rights thereto);

(7) cause onsite inspections to be made of promising projects, domestic and foreign, and in the case of projects located in the United States, cooperate and participate in their development when the purposes of this title will be served thereby;

(8) foster and participate in regional, national, and international conferences relating to water resources;

(9) accept financial and other assistance from any local, State, Federal, or other agency or entity in connection with studies or surveys relating to water problems and facilities, and enter into contracts with regard to such assistance;

(10) coordinate, correlate, and publish information with a view to advancing the development of practicable water conversion projects; and

(11) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

SEC. 402. (a)(1) There are hereby authorized to be appropriated for the purposes of implementing section 101(a) of this Act such sums annually as are sufficient to provide an amount not to exceed $150,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1979, and an amount not to exceed $180,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1980;

(2) There is further authorized to be appropriated an amount not to exceed on a cost-sharing basis for the purpose of implementing section 101(c) of this Act $750,000 for the fiscal year ending September 30, 1979, and $1,350,000 for the fiscal year ending September 30, 1980, all such sums to remain available until expended;

(3) Cost sharing under sections 101(a) and 101(c) shall be on the basis of two Federal shares to not less than one non-Federal share. Federal funds made available under this section shall not be used for support of indirect costs as defined by current Federal regulations; however, such indirect costs may be credited as a non-Federal contribution to the total cost of activities to be carried out pursuant to the Federal grant or contract.

(b) There is authorized to be appropriated for carrying out the purposes of section 105 of this Act for the fiscal year ending September 30, 1979, the sum of $10,000,000 and $10,000,000 for the fiscal year ending September 30, 1980, to remain available until expended, to match, on a dollar-for-dollar basis, funds made available by non-Federal sources to meet the necessary expenses of specific water resources research and development projects which could not otherwise be undertaken. Federal funds provided under this subsection shall be available on a competitive basis and shall be available to any organization or individual.

(c) There is authorized to be appropriated for purposes of carrying out the research, development, and demonstration activities authorized by sections 105 and 109 of this

Act for the fiscal year ending September 30, 1979, the sum of $3,200,000, and $3,200,000 for the fiscal year ending September 30, 1980, available until expended, which shall be available on a competitive basis to any organization or individual to finance grants, contracts, matching grants, or other arrangements which equal 100 per centum or any lesser per centum, of the total cost of the projects involved.

SEC. 403. (a) There is authorized to be appropriated to carry out the provision of title II of this Act for the fiscal year ending September 30, 1979, the sum of $10,000,000 and $10,000,000 for the fiscal year ending September 30, 1980, to remain available until expended. The categories for which such funds are authorized are as follows:

(1) research,

(2) development, and

(3) demonstration.

The funds appropriated pursuant to such authorization shall be distributed to the foregoing categories as determined by prevailing budgetary priorities.

(b) Not more than 5 per centum of the funds to be made available in any fiscal year for research under the authority of this title may be expended for foreign activities subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, in cooperation with public or private agencies in foreign countries for research useful to the programs in the United States.

SEC. 404. There are authorized to be appropriated the sum of $4,464,000 for the fiscal year ending September 30, 1979, and $4,464,000 for fiscal year ending September 30, 1980, to carry out the sections of title I, II, III, and IV of this Act other than those for which special specific authorizations are made.

SEC. 405. Each application for a grant, pursuant to this Act, shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the water problem it addresses, the qualifications of the personnel who will direct and conduct it, the importance of the project to the water-related economy of the Nation, the need for and expected utilization of the results, the region and the State concerned, its relation to other known research projects previously conducted or currently being pursued, the procedures by which the results can be disseminated, and the extent to which it will provide opportunities for the training of water resources scientists and engineers. No grant shall be made except for projects approved by the Secretary and all grants shall be made upon the basis of the merit of the project, the need for the knowledge it is expected to produce when completed, and the opportunities it provides for the training of water resources scientists and engineers.

SEC. 406. (a) Sums appropriated pursuant to this Act may be paid at such times and in such amounts during each fiscal year as determined by the Secretary and upon vouchers approved by him. Except as may be otherwise specified by this Act, funds received pursuant to such payment may be used for any allowable costs within the meaning of the Federal procurement regulations that establish principles for determining costs applicable to research and development under grants and contracts with educational institutions.

(b) Each State institute operating pursuant to title I of this Act shall have an officer appointed by its governing authority who shall receive and account for all funds paid to the institute under the provisions of this Act and who shall provide to the Secretary an annual statement of the amounts received under any of the provisions of this Act during the preceding fiscal year, and of its disbursement. If any of the moneys received by the authorized receiving officer of any State institute under the provisions of this Act shall, by any action or contingency, be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced and until so replaced no subsequent disbursement of Federal funds shall be made to any institute of such State.

SEC. 407. (a) The Secretary shall cooperate fully with, and shall obtain the continuing advice and cooperation of, all agencies of the Federal Government concerned with water problems, State and local governments, and private institutions and individuals, to assure that the programs conducted under this Act will supplement and not duplicate other water research and technology programs, will stimulate research and development in neglected areas, and will provide a comprehensive, nationwide program of water resources research and development. In order to further these purposes, as well as to assure research undertaken by the Secretary on wastewater treatment and treatment of water for potable use is most responsible to needs in implementing the Federal Water Pollution Control Act, as amended (Public Law 92-500), and the Safe Drinking Water Act, as amended (Public Law 93-523), the Secretary will consult with the Administrator of the Environmental Protection Agency in developing and implementing programs in these areas. The Secretary will encourage utilization of the center referred to in title II, section 302, for cataloging current research projects in order to assure that programs conducted under this Act will supplement and not duplicate other research and technology programs and will encourage other Federal agencies to do likewise.

(b) The President shall, by such means as he deems appropriate, clarify agency responsibilities for Federal water resources research and development and provide for interagency coordination of such research, including the research authorized by this Act. Such coordination shall include (1) continuing review of the adequacy of the Government-wide program in water resources research and development and identification of technical needs in various water resources research categories, (2) identification and elimination of duplication and overlaps between two or more programs, (3) recommendations with respect to allocation of technical effort among the Federal agencies, (4) review of technical manpower needs and findings concerning the technical manpower base of the program, (5) recommendations concerning management policies to improve the quality of the Government-wide research effort, and (6) actions to facilitate interagency communication at management levels.

SEC. 408. (a) Property acquired by the Secretary under this Act for use in furtherance of the purposes of this Act may be conveyed to a cooperating institute, educational institution, or nonprofit organization in accordance with the Federal Property and Administrative Services Act of 1949, as amended.

(b) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this Act shall be paid into the Treasury as miscellaneous receipts except where such operations may be undertaken as a part of a Federal reclamation project in which case the financial provisions of the reclamation laws (32 Stat. 388 and Acts amendatory thereof and supplementary thereto) shall govern.

SEC. 409. With respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this Act, and notwithstanding any other provision of law, the Secretary shall be governed by the provisions of section 9 and 10 of the Federal Nonnuclear Energy, Research and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C. 5908, 5909): *Provided, however,* That subsections (l) and (n) of section 9 of such Act shall not apply to this Act.

SEC. 410. The institutes shall submit a summary report to the Secretary on or before January 31 or each year which highlights research and development work accomplished during the preceding fiscal year, the status of projects underway, and recommended future projects. This report is in addition to such other reports as may be required by sections 101(b) and 405(b) of this Act. The Secretary shall submit a summary report to the President and the Congress on or before April 1 of each year which summarizes program activities of the preceding fiscal year and projects for the future.

SEC. 411. (a) The Water Resources Research Act of 1964 (Public Law 88-379, 78 Stat. 329; 42 U.S.C. 1961 et seq.), as amended, the Saline Water Conversion Act of 1971 (Public Law 92-60, 85 Stat. 159; 42 U.S.C. 1959 et seq.), as amended, and section 1 of the Water Research and Conversion Act of 1977 (Public Law 95-84) are hereby repealed. Nothing contained in this Act shall be construed to alter the authority of section 2 of Public Law 95-84.

(b) Nothing elsewhere in this Act is intended to repeal, supersede, or diminish existing authorities or responsibilities of any agency of the Federal Government concerning water resources

(c) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-836), explaining the purposes of the measure.

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

PURPOSE

The purpose of S. 2704, introduced at the request of the Administration, is to create an organic act for the Department of the Interior's Office of Water Research and Technology (OWRT). This bill would consolidate portions of Water Resources Research Act of 1964 (Public Law 88-379); the Saline Water Conversion Act of 1971 (Public Law 92-60); and the Water Research and Conservation Act of 1977 (Public Law 95-84), while repealing other portions of those Acts.

S. 2704 provides greater emphasis on technology development and demonstration, the coordination of research and development, and the dissemination, transfer, and practical applications of research and technology developments. The bill authorized appropriations for fiscal year 1979 consistent with the President's budget request, and such sums as necessary for fiscal year 1980.

The committee amended the levels of authorization and retained a portion of Public Law 95-84.

GENERAL STATEMENT

The OWRT program should serve as an integral component of the Nation's policy for wise and effective management of its water resources. The program received strong emphasis several years ago, reaching a peak level of appropriations in fiscal year 1971. The program then declined sharply before stabilizing somewhat below the present level of $27,000,000 annually.

The development of knowledge about the use of the Nation's limited resources of water is essential if we are to meet our needs for additional supplies of water. For this reason, the committee emphasizes the importance of the work of OWRT and related groups.

Title I of the bill re-enacts the authority for Federal matching grants to the 54 State water institutes for water research. The committee gave careful consideration to the work of the State water institutes and set the authorization for each institute at $150,000 in fiscal year 1979 and $180,000 in fiscal year 1980. While this is below the current level of authorization, it is substantially above the $110,000 actually appropriated annually to each institute in recent years. The committee urges the appropriation of the authorized amount in recognition of the need to expand the general program and to keep pace with inflation.

In addition, the bill authorizes $10,000,000 annually in matching grants to be open to all institutes and other interested parties on a competitive basis. The committee believes that such competition will encourage the most effective program to strengthen the national program to find more effective ways to use and improve water.

Title I of the measure also involves technology transfer. The committee considered making a separate authorization to each of the State water institutes for a program of technology transfer. It was found, however, that this might limit the flexibility of the institutes, to the detriment of their overall programs. The committee expects that the institutes will develop or continue an existing technology transfer program within the authorized level of $150,000 and $180,000 per institute. It is expected that each institute will utilize some of its funds to implement an effective technology transfer effort in the State.

In addition, the bill authorizes $750,000 in fiscal year 1979 and $1,350,000 in fiscal year 1980 for additional technology transfer grants. These sums will be made available on a competitive basis, with the institutes receiving preference. This money is intended to emphasize special new initiatives, particularly when an effort can be made to develop regional technology transfer programs.

The major change made by the committee was in title II, which authorizes research on the improvement of saline or other types of impaired waters. This section is designed to enhance the program for research at existing facilities. A total of $10 million is authorized for this activity.

It was the view of the committee that the bill, as introduced, failed to include a proper and sufficient emphasis for the development of the saline water conversion demonstration plants. Such plants were authorized by Congress last year in the Water Research and Conservation Act of 1977 (Public Law 95–84).

Section 2 of the 1977 Saline Water Act authorized construction of four demonstration projects at a cost of $40,000,000. The Secretary of the Interior is directed "to study, design, construct, operate, and maintain desalting plants demonstrating the engineering and economic viability of membrane and phase-change desalting processes at not more than four locations in the United States . . . provided, that at least two such plants shall demonstrate desalting of brackish ground water."

In hearings before the Subcommittee on Water Resources, Department of Interior witnesses stated that 50 percent of the cost of these demonstrations should be borne by non-Federal interests. The law already requires that the local sponsor provide a variety of items, including the necessary water, water rights, brine disposal areas, rights-of-way, and energy connections, as well as the assumption of full operating costs after a break-in period. The committee concluded that any cost sharing beyond the 1977 Act was inappropriate, particularly for a program that will demonstrate techniques designed to have national significance.

The committee, therefore, amended the bill to maintain the full saline water demonstration program as authorized under Public Law 94–84. The committee expects this program to go forward as rapidly as possible.

In response to a question in the hearings, the Administration's witness testified: "Demonstrations are needed to obtain cost and performances data needed by water planners and water suppliers to make judgments and decisions regarding how saline water technology can be applied to solve or mitigate real world water problem situations. Technology that is only developed to the pilot plant stage is not adequate to assure the viability of saline water conversion technology as a solution to real world water problems."

As the committee has noted previously, one opportunity for such a demonstration is in the Tularosa Basin of New Mexico, where sufficient underground brackish water exists that, if purified, could meet regional water needs for centuries.

Title III authorizes a technology transfer program to the Secretary. The committee believes this program will prove valuable in disseminating information about no-going research activities. The Secretary may also provide grants for development of applications of research results to State and local governments.

The amendments were agreed to.

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

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

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

The motion to lay on the table was agreed to.

FEDERAL PHYSICIANS COMPARABILITY ALLOWANCE ACT OF 1978

The Senate proceeded to consider the bill (S. 990) to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians, which has been reported from the Committee on Governmental Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Physicians Comparability Allowance Act of 1978".

SEC. 2. (a) Subchapter IV of chapter 59 of title 5, United States Code, relating to allowances, is amended by adding at the end thereof the following new section:

"§ 5948. PHYSICIANS COMPARABILITY ALLOWANCES

"(a) Notwithstanding any other provision of law, and in order to recruit and retain highly qualified Government physicians, the head of an agency, subject to the provisions of this section and such regulations as the President or his designee may prescribe, may enter into a service agreement with a Government physician which provides for such physician to complete a specified period of service in such agency in return for an allowance for the duration of such agreement in an amount to be determined by the agency head and specified in the agreement, but not to exceed—

"(1) $7,000 per annum if, at the time the agreement is entered into, the Government physicians has served as a Government physician for twenty-four months or less, or

"(2) $10,000 per annum if the Government physician has served as a Government physician for more than twenty-four months.

"(b) An allowance may not be paid pursuant to this section to any physician who—

"(1) is employed on less than a half-time or intermittent basis,

"(2) Occupies an internship or residency training position,

"(3) is a reemployed annuitant, or

"(4) is fulfilling a scholarship obligation.

"(c) The head of an agency, pursuant to such regulations, criteria, and conditions as the President or his designee may prescribe shall determine categories of positions applicable to physicians in such agency with respect to which there is a significant recruitment and retention problem. Only physicians serving in such positions shall be eligible for an allowance pursuant to this section. The amounts of each such allowance shall be determined by the agency head, subject to such regulations, criteria, and conditions as the President or his designee may prescribe, and shall be the minimum amount necessary to deal with the recruitment and retention problem for each such category of physicians.

"(d) Any agreement entered into by a physician under this section shall be for a period of one year of service in the agency involved unless the physician requests an agreement for a longer period of service. No agreement shall be entered into under this section later than September 30, 1979, nor shall any agreement cover a period of service extending beyond September 30, 1981.

"(e) Unless otherwise provided for in the agreement under subsection (f) of this section, an agreement under this section shall provide that the physician, in the event that such physician voluntarily, or because of misconduct, fails to complete at least one year of service pursuant to such agreement, shall be required to refund the total amount received under this section, unless the head of the agency, pursuant to such regulations as may be prescribed under this section by the President or his designee, determines that such failure is necessitated by circumstances beyond the control of the physician.

"(f) Any agreement under this section shall specify, subject to such regulations as the President or his designee may prescribe, the terms under which the head of the agency and the physician may elect to terminate such agreement, and the amounts, if any, required to be refunded by the physician for each reason for termination.

"(g) For the purpose of this section—

"(1) 'Government physician' means any individual employed as a physician, dentist, or veterinarian who is paid under—

"(A) section 5332 of this title, relating to the General Schedule;

"(B) section 5361 of this title, or similar statutory authority, relating to administratively determined pay for certain specially qualified scientific or professional personnel

"(C) section 3 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831b), relating to the Tennessee Valley Authority;

"(D) title 4 of the Foreign Service Act of 1946 (22 U.S.C. 861–890), relating to the Foreign Service;

"(E) section 10 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403j), relating to the Central Intelligence Agency; or

"(F) section 121 of title 2 of the Canal Zone Code, relating to the Canal Zone Government and the Panama Canal Company; and

"(2) 'agency' means an Executive agency, as defined in section 105 of this title, and the District of Columbia government.

"(h)(1) Any allowance paid under this section shall not be considered as basic pay

for the purposes of subchapter VI and section 5595 of chapter 55, chapter 81, 83, or 87 of this title, or other benefits related to basic pay.

"(2) Any allowance under this section for a Government physician shall be paid in the same manner and at the same time as the physician's basic pay is paid.

"(i) Any regulations, criteria, or conditions that may be presented under this section by the President or his designee shall not be applicable to the Tennessee Valley Authority, and the Tennessee Valley Authority shall have sole responsibility for administering the provisions of this section with respect to Government physicians employed by the Authority.".

(b) The analysis for chapter 59 of such title is amended by adding at the end thereof the following:

"5948. Physicians comparability allowances."

(c) No agreement shall be entered into under section 5948 of title 5, United States Code, as added by subsection (a), before the 60th day after the date of the enactment of this Act. No such agreement shall provide for the payment of any allowance under such section for any pay period beginning before the later of—

(1) such 60th day, or

(2) October 1, 1978.

SEC. 3. (a) The Chairman of the Civil Service Commission shall submit a report each year to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate regarding the operation of the special pay program authorized by section 5948 of title 5, United States Code, as added by section 2 of this Act.

(b) The Director of the Office of Management and Budget shall conduct—

(A) an investigation of the short-term and long-term problems facing the departments and agencies of the Federal Government (including the uniformed services and the Veterns Administration) in recruiting and retaining qualified physicians and dentists;

(B) an evaluation of the extent to which the implementation of a uniform system of pay, allowances, and benefits for all physicians, veterinarians and dentists employed in such Federal departments and agencies would alleviate or solve such recruitment and retention problems; and

(C) an investigation and evaluation of such other solutions to such recruitment and retention problems as deemed appropriate.

(c) After completion of the investigations and evaluations required to be made under paragraphs (1), (2), and (3) of this subsection, the Director shall, before September 30, 1980, submit to the Congress a report which—

(1) identifies suggested courses of legislative or administrative action (including proposed legislation) and cost estimates thereof, which in the judgment of the Director, will solve such recruitment and retention problems, and

(2) includes a recommendation, and justification thereof, as to which course of action of the courses identified under paragraph (1) should be undertaken.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-864), explaining the purpose of the measure.

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

PURPOSE

The purpose of the bill, as amended, is to enable Federal physicians, dentists and veterinarians, who are paid primarily under the General Schedule, to enter into service agreements with the head of an agency, which provides for such physician to complete a specified period of service in such agency in return for an allowance in the amount to be determined by the agency head. The amount of the allowance is not to exceed (1) $7,000 per annum if, the physician has served as a Government physician for 24 months or less, or (2) $10,000 per annum if the physician has served for more than 24 months. Such bonus contracts can only be offered to those categories of physicians in agencies where there is a significant recruitment and retention problem. In addition, contracts are to be awarded on a temporary basis with no agreement exceeding beyond September 30, 1981.

COMMITTEE ACTION

S. 990, as amended, provides the heads of executive agencies with discretionary authority to offer service agreements to certain categories of Federal physicians in order to alleviate recruitment and retention problems currently experienced by such agencies. The Civil Service Commission in a general statement on the recruitment and retention of Federal physicians, which was submitted to the committee, stated the following:

"Information from agencies and our own records show that virtually all Federal agencies experience extreme difficulty in recruiting and retaining physicians. The nationwide register of Medical Officers that is maintained by the Civil Service Commission contains just over 1,000 eligibles. This figure is deceptive, because an individual applicant may be on the register for positions at more than one grade level or for more than one specialty. Even more troublesome is the fact that about 44 percent of the physicians referred on certificates issued by the Commission to agencies are unavailable for placement. A large number of "non-availables" decline placement because of an undesirable geographical location of the position or the relatively low salary level. To overcome the shortage of available physicians, the Commission found it necessary to issue 93 noncitizen hire authorities in fiscal year 1977. As you may know, the Commissions can only issue such authorities when there are no U.S. citizens available to fill the vacancies.

"Since the vast majority of Federal physicians in the competitive service are employed by the Department of Defense and the Department of Health, Education, and Welfare, the Commission has granted direct hire authorities to these agencies to combat the difficulties encountered in recruiting qualified physicians. This special recruitment flexibility is an addition to the authority to pay special rates world wide to medical officers, which currently is applicable to all agencies."

A further statement of the degree and extent of the recruitment and retention problems experienced by the 1805 physicians who are not covered under the uniformed services' or the Veterans' Administration's variable incentive pay plans is evidenced in the August 31, 1976, Comptroller General's report to the Congress, entitled "Recruiting and Retaining Federal Physicians and Dentists: Problems, Progress, and Actions Needed for the Future." As pointed out in the report, which was made pursuant to the Veterans' Administration Physician and Dentist Pay Comparability Act of 1975 (89 Stat. 669), and as reiterated by Senator Mathias at the March 10th subcommittee hearing:

"We found cases where differences between systems caused some employees to transfer between systems in an agency. In one PHS installation we visited, seven GS physicians transferred to the commissioned corps during fiscal year 1975 in order to receive VIP. Other GS physicians, who reportedly would have switched, had previously switched from the commissioned corps to the GS prior to the implementation of VIP because the benefits of the GS system were better at that time.

"We found numerous instances where physicians who were receiving VIP worked with physicians not receiving VIP because of ineligibility. This has caused bitterness among physicians and resulted in lawsuits being filed against the Federal Government by those physicians not receiving VIP."

In response to the General Accounting Office that one pay scale, rather than three pay scales, for Federal physicians be implemented, the committee adopted an amendment instructing the Director of Office of Management and Budget to investigate possible legislative and administrative solutions to the recruitment and retention problems and to submit a report to the Congress no later than September 30, 1980, 1 year before the expiration date of the service agreements authorized under S. 990, as amended.

The Civil Service Commission stated at the hearing that "the administration is in the process of reviewing Federal compensation policy on a broad basis." Further, according to a May 2, 1977, letter to the Honorable Ray Roberts, chairman of the House Committee on Veterans' Affairs, the former Director of OMB, Bert Lance, stated that OMB was reviewing relevant studies and that "(l)egislative proposals based upon this review will be reflected in the President's fiscal year 1979 budget." As a result, the committee believes the further study asked for in S. 990, as amended, will not put any extra burden on OMB, but only serve as an additional expression of the sense of the Congress that a comprehensive and permanent solution to the recruitment and retention problems faced by all Federal physicians be implemented.

Upon the recommendation of the Civil Service Commission, the committee adapted new language which makes major modifications in the bill. The primary change makes the bill applicable only to those physicians who are in categories which have been identified as having recruitment and retention problems. Such categories are to be identified by the head of the Agency in accordance with regulations, criteria, and conditions as may be prescribed by the President or his designee and the bonus contracts are to be administered on a discretionary basis. The committee endorsed this change as it is consistent with the rationale underlying bonus authorities now provided to physicians in the Veterans Administration and the uniformed services. Additional modifications that were recommended by the Civil Service Commission make the authority for entering into contract agreements end on September 30, 1979, the same date as proposed in the 1979 Budget for the Veterans' Administration, with all contracts terminating as of September 30, 1981.

The committee further believes that since similar recruitment and retention problems have been found to exist for certain categories of Federal veterinarians and dentists, Senator Mathias' suggestion to expand the definition of physician to include both veterinarians and dentists is appropriate and hence was adopted as an amendment by the committee.

However, such service agreements for veterinarians and dentists are to be implemented in the same manner for veterinarians and dentists as they will be for all physicians subject to the discretion of the head of an agency in accordance with the regulation, criteria and conditions as may be prescribed by the President or his designee.

According to the Civil Service Commission, there are approximately 6,500 dentists in the Federal workforce, but only 20 are found in the General Schedule. The remaining 5,080 dentists are employed by the military services and 886 are employed by the Veterans' Ad-

ministration. With the exception of the 20 General Schedule physicians, the vast majority are already covered by existing bonus and special pay authorities.

Although there are 2,250 veterinarians in the General Schedule, since not all are experiencing recruitment and retention problems, many will not be eligible for service agreements under S. 990, as amended.

BACKGROUND

There are currently more than 20,000 Federal physicians employed by the Federal Government. The majority of these physicians are paid under three statutory pay systems; The Uniformed Services (DOD), The Veterans' Administration (VA), and the General Schedule.

Military medical officers are paid under an officer-rank system of military compensation. Physicians in the Commissioned Corps of the Public Health Service hold the same ranks and are paid in the same manner as military medical officers. Physicians in the Department of Medicine and Surgery of the Veterans' Administration are paid under a rank-in-person and a rank-in-job system, which resembles the General Schedule, but is actually quite different and more flexible in operation. Finally, physicians of the General Schedule are paid under a position classification system with grade levels and their definitions set in law.

Pay under the three salary systems covering Federal physicians is adjusted annually under the Federal pay comparability system. In the comparability process, a broadly based cross-industry survey of the corresponding private enterprise salary rates of selected General Schedule occupations, excluding medical occupations, is made. Currently, both DOD and VA have authority to grant temporary, special and incentive pay to alleviate recruitment and retention problems which have been identified.

When the so-called doctor draft, which had enabled the Uniformed Services to meet their needs for medical officers, ended in 1973, a supplemental pay, "variable incentive pay," up to $13,500 a year, was developed by the Department of Defense and Public Law 93-274, authorized on a temporary basis by the Congress in 1974 to insure adequate recruitment and retention of medical officers in a draft-free environment. The legislation, which expires next October, also covers physicians in the Public Health Service Commissioned Corps.

In 1975 when the Veterans' Administration experienced difficulties in meeting its needs for well-qualified physicians, especially in certain critically short specialties, the concept of a salary add-on was also extended to the VA physicians and dentists in the form of "special pay" under a bill passed by the Congress. This temporary legislation provides for "special pay" up to $13,500 for a 4-year employment contract. Although it, too, expires next October, Congress is working on additional temporary extensions.

No authority to provide "special pay" has been given to agencies employing General Schedule physicians. S. 990 is an attempt to meet this need.

The amendment was agreed to.

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

FEDERAL RAILROAD SAFETY ACT AMENDMENTS ACT OF 1978

The bill (S. 3081) to amend the Federal Railroad Safety Act of 1970 to provide the Secretary of Transportation a longer period within which to assess civil penalties for certain violations, to extend authorizations of appropriations for fiscal year 1979 and 1980 for the rail safety program, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Railroad Safety Act Amendments Act of 1978".

NOTICE OF VIOLATIONS

SEC. 2. The first sentence of section 207 of the Federal Railroad Safety Act of 1970 (hereinafter in this Act referred to as the "Safety Act") (45 U.S.C. 436) is amended to read as follows: "In any case in which the Secretary has failed to assess the civil penalty applicable under section 209 of this title, or no civil action has been commenced to obtain injunctive relief under section 210 of this title, with respect to a violation of any railroad safety rule, regulation, order, or standard issued under this title, within 90 days after the date on which notification was received by the Secretary from a State agency participating in investigative and surveillance activities under the provisions of section 206 of this title, that State agency may apply to the district court of the United States within the jurisdiction of which the violation occurred for the enforcement of such rule, regulation, order or standard.".

ROLE OF DEPARTMENT OF TRANSPORTATION IN RAILROAD ACCIDENT INVESTIGATIONS; LIABILITY OF DEPARTMENT OF TRANSPORTATION'S AGENTS

SEC. 3. Section 208 of the Safety Act (45 U.S.C. 437) is amended—

(1) by deleting subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c) respectively; and

(2) by amending newly designated subsection (b) to read as follows:

"(b) To carry out the Secretary's responsibilities under this title, officers, employees, or agents of the Secretary are authorized to enter upon, inspect, and examine rail facilities, equipment, rolling stock, operations and pertinent records at reasonable times and in a reasonable manner. Such officers, employees, or agents shall display proper credentials when requested, and during the course of such inspection or examination shall be considered employees of the Government for the purposes of the Federal Tort Claims Act (28 U.S.C. 2671 et seq.).".

"AUTHORIZATION OF APPROPRIATIONS

SEC. 4. Section 212 of the Safety Act (45 U.S.C. 441) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 212. There are authorized to be appropriated to carry out the provisions of this Act not to exceed $35,000,000 for the fiscal year ending September 30, 1979, and not to exceed $35,000,000 for the fiscal year ending September 30, 1980. Sums appropriated for research and development, automated track inspection and the State safety grant program shall remain available until expended.".

HOURS OF SERVICE ACT; INTERSTATE COMMERCE REQUIREMENT

SEC. 5. Subsection (a) of the first section of the Act of March 4, 1907, as amended (45 U.S.C. 61), is amended to read as follows:

"(a) This Act shall apply to any common carrier engaged in interstate or foreign commerce by railroad.".

SEC. 6. (a) Section 4 of the Act of April 14, 1910, as amended (45 U.S.C. 13), and section 9 of the Act of February 17, 1911, as amended (45 U.S.C. 34), are each amended by inserting "assessed by the Secretary of Transportation and" after "shall be liable to a penalty of not less than $250 and not more than $2,500 for each and every such violation, to be", where those words appear in the respective sections.

(b) Section 25(h) of part I of the Interstate Commerce Act (49 U.S.C. 26(h)), is amended by inserting "assessed by the Secretary of Transportation and" after "shall be liable to a penalty of not less than $250 and not more than $2,500 for each and every day such violation, refusal, or neglect continues, to be".

AMENDMENTS TO THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976

SEC. 7. Section 505 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825) is amended by (a) striking the last sentence of subsection (d)(3) thereof; and (b) striking "purchase under this title after September 30, 1978", and inserting in lieu thereof ", after September 30, 1979, make commitments to purchase under this title" in subsection (e) thereof.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-865), explaining the purposes of the measure.

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

EXCERPT

PURPOSE

It is the purpose of this legislation to provide authorization for appropriations to carry out the provisions of the Federal Railroad Safety Act for fiscal years 1979 and 1980 and to amend the Federal Railroad Safety Act, the Hours of Service Act and various related railroad laws to facilitate the timely enforcement of railroad safety programs. In addition, the legislation amends section 505 of the Railroad Revitalization and Regulatory Reform Act by eliminating the $100 million ceiling on the purchase of trustee certificates and by extending the date on which the Secretary of Transportation may commit funds under section 505 to September 30, 1979.

BACKGROUND AND NEED

The committee has been and continues to be concerned over the difficulty of the railroad industry to deal effectively with the problem of railroad safety and the lack of substantial improvements in safety statistics following enactment of the Federal Railroad Act of 1970. While national attention has recently focused on railroad safety problems as a result of the devastating rail accidents in Pensacola, Fla., Waverly, Tenn., and Youngstown, Fla., the Commerce Committee has been concerned for some time that while progress has been made in certain areas of rail safety, other problems appear to be growing worse.

Statistics available from the Federal Railroad Administration (FRA) show that total fatalities and injuries resulting from railroad accidents have shown a steady decrease in numbers over the 10-year period from 1966 through 1976. During that period, fatalities showed a 37-percent drop while total injuries showed an equally impressive 25-percent decrease. However, while the committee is encouraged by these statistics, it is greatly disturbed to learn that the total level of injuries and fatalities is still intolerably high—1977 figures show 1,531 deaths and 67,675 injuries—and this level must be further reduced.

Equally disturbing to the committee are statistics showing that train accidents have increased since 1966 by approximately 15 percent with a corresponding increase in costs. Total cost to the railroads as a result of train accidents rose 38 percent during the 10-year period and the trend does not appear to be changing. Testimony submitted to the committee during the course of hearings indicated that the cause of these train accidents are primarily in two areas—defects in the right-of-way or other structures and equipment failures. Together these two fac-

tors accounted for close to 70 percent of all train accidents.

Under provisions of the Federal Railroad Safety Authorization Act of 1976, the Office of Technology Assessment (OTA) was instructed to evaluate Federal railroad safety regulations and, in particular, the effectiveness of the Federal Railroad Safety Act of 1970. The results of that study highlight the dramatic relationship between the financial health of the railroad industry and its ability to reduce derailments and related accidents. The OTA report found that defects in track were the largest and most rapidly increasing single cause of derailments and that, unless there was a positive change in the economic health of the industry, there would be little chance for a decrease in rail accidents.

The committee was particularly concerned with the OTA findings in the area of the effects of Federal safety laws and regulations, effects of inspection activities, effects of research and development programs, and improvements in the handling of hazardous materials. Though the OTA report found that the current railroad statutory framework was adequate in dealing with railroad safety problems, the effectiveness of implementation has been hindered by inadequate use of accident data, jurisdictional problems, and the lack of alternative approaches to rail safety. Furthermore, OTA found that, in many instances, Federal Railroad Administration has not adequately articulated how certain regulations will bring about the desired results in rail safety improvements.

The OTA report reviewed the effectiveness of the Federal Railroad Administration inspection programs and found that the existing program has not greatly affected the accident rate. The Federal Railroad Administration inspection program is based on the premise that these inspections provide preventive safety measures. The committee appreciates the effectiveness of this type of activity and would like to see more inspectors in the field engaged in the automated track inspection program. The OTA report indicates that alternative approaches might be considered, and the committee encourages the Federal Railroad Administration to look into some of the more appropriate methods of administering its safety program.

The area of hazardous materials handling is of particular concern to the committee because of the possible catastrophic effects in the general population of tank car derailments. The committee is encouraged by the Secretary of Transportation's actions in expediting rulemaking proceedings on the retrofit of pressure tank cars and the elimination of carbon cast wheels by the end of the year. It is hoped that additional analysis will be undertaken by the Federal Railroad Administration to determine how the rail industry can effectively reduce the risks of hazardous materials transportation.

Finally, the committee wishes to emphasize the need for decreasing the level of deferred maintenance in the railroad industry. Not only does deferred maintenance adversely impact on the revenues and profits of the industry, but it has an obviously negative impact on rail safety. In this regard, the committee stresses the importance of track maintenance and the need to distribute funds as expeditiously as possible under the title V program of the Railroad Revitalization and Regulatory Reform Act of 1976. The largest increases in rail safety will come not from Federal regulation, but from the maintenance and rehabilitation of the right-of-way.

COMMITTEE ACTION

The Surface Transportation Subcommittee held hearings on S. 2897 on April 21, 1978. S. 2897 was introduced at the request of the Department of Transportation and provided for extensions of authorization in the amount of $35 million for both fiscal years 1979 and 1980. In addition, the Department's bill would extend the time period of review of safety violations by the Secretary of Transportation until actual receipt of the violation from the State agency and would help to preserve uniformity of interpretation of the railroad safety regulations. The Department's bill also would make it clear that the Federal Tort Claims Act does apply to the outside contract employees who operate as agents for the Department during inspections and examinations of rail facilities. Finally, the Department's bill would make it clear that the Hours of Service Act is to apply to any common carrier engaged in interstate or foreign commerce by railroad, thereby relieving the Federal railroad inspectors from having to prove, in each case in which a violation is processed, that one or two cars on that train were in fact moving in interstate commerce.

The primary purpose of the reported bill is to provide authorization for appropriations for the programs under the Federal Railroad Safety Act of 1970.

Finally, the reported bill contains an additional section, section 7, "Amendments to the Railroad Revitalization and Regulatory Act," that is designed to facilitate the distribution of funds under title V of the 4–R Act. Given the recent bankruptcy of the Chicago, Milwaukee, St. Paul and Pacific Railroad, raising to three the number of Class I railroads in reorganization, the committee felt it was necessary to eliminate the $100 million ceiling on the purchase of trustee certificates. Furthermore, the committee recognizes that railroad rehabilitation projects funded under section 505 will often be long, complex projects that may not be accomplished for many months after the commitment of Federal funding. Section 7 clarifies that September 30, 1979, is the date on which the Secretary's authority to commit funds shall terminate and allows drawdowns of funds for work accomplished after September 30, 1979.

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

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

The motion to lay on the table was agreed to.

SIKES ACT AMENDMENTS OF 1978

The Senate proceeded to consider the bill (S. 2987) to extend the authority for carrying out conservation and rehabilitation programs on military reservations and certain public lands, which had been reported from the Committee on Environment and Public Works with amendments as follows:

On page 2, line 2, strike "each of";

On page 2, line 3, strike "years" and insert "year";

On page 2, line 13, strike "each of";

On page 2, line 14, strike "three";

On page 2, line 14, strike "years" and insert "year";

On page 3, line 10, after "1979," insert "and";

On page 3, line 11, strike "$20,000,000 for the fiscal year ending September 30, 1981, and $25,000,000 for the fiscal year ending September 30, 1982,";

On page 3, line 23, after "1979," insert "and";

On page 3, line 24, strike "$45,000,000 for the fiscal year ending September 30, 1981, $50,000,000 for the fiscal year ending September 30, 1982,";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Sikes Act Amendments of 1978".

SEC. 2. Section 106 of the Act of September 15, 1960 (16 U.S.C. 670f(b)), as amended, is further amended—

(1) by striking subsection (b); and

(2) by inserting in lieu thereof the following new subsections (b), (c), and (d):

"(b) There are authorized to be appropriated to the Secretary of Defense not to exceed $1,500,000 for the fiscal year ending September 30, 1979, and for the next fiscal year thereafter to carry out this title, including the enhancement of fish and wildlife habitat and the development of public recreation and other facilities. The Secretary of Defense shall, to the greatest extent practicable, enter into agreements to utilize the services, personnel, equipment, and facilities, with or without reimbursement, of the Secretary of the Interior in carrying out the provisions of this section.

"(c) There are authorized to be appropriated to the Secretary of the Interior not to exceed $4,500,000 for the fiscal year ending September 30, 1979, and for the next fiscal year thereafter to carry out functions and responsibilities as the Secretary may have under cooperative plans to which such Secretary is a party under this section, including those for the enhancement of fish and wildlife habitat and the development of public recreation and other facilities.

"(d) Sums authorized to be appropriated under this section shall be available until expended. In the event funds requested for appropriations are less than those authorized under this section, the Secretary of the Interior and the Secretary of Defense shall report to the Committee on Environment and Public Works of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives stating with particularity the reason for not requesting appropriation of the amount authorized under this section and the plans of such Secretary for otherwise carrying out the intent of this Act.".

SEC. 3. Section 209 of such Act (16 U.S.C. 670o) is amended to read as follows:

"SEC. 209. (a) There are authorized to be appropriated the sum of $10,000,000 for the fiscal year ending September 30, 1979, and $15,000,000 for the fiscal year ending September 30, 1980, to enable the Department of the Interior to carry out its functions and responsibilities under this title, including data collection, research, planning, and conservation and rehabilitation programs on public lands. Such funds shall be in addition to those authorized for wildlife, range, soil, and water management pursuant to section 318 of the Federal Land Policy and Management Act of 1976, or other provisions of law.

"(b) There are authorized to be appropriated the sum of $35,000,000 for the fiscal year ending September 30, 1979, and $40,000,000 for the fiscal year ending September 30, 1980, to enable the Department of Agriculture to carry out its functions and responsibilities under this title. Such funds shall be in addition to those provided under other provisions of law. In requesting funds under this subsection the Secretary shall take into account fish and wildlife program needs, including those for projects, identified in the State comprehensive plans as contained in the program developed pursuant to the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended (16 U.S.C. 1601).

"(c) In the event funds requested for appropriations are less than those authorized under this section, the Secretary of the Interior and the Secretary of Agricul-

ture shall report to the Committee on Environment and Public Works of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives stating with particularity the reason for not requesting appropriation of an amount authorized under this section and the plans of such Secretary for otherwise carrying out the intent of this Act.".

The amendments were agreed to.

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

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

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

The motion to lay on the table was agreed to.

COUNCIL ON ENVIRONMENTAL QUALITY AUTHORIZATIONS

The Senate proceeded to consider the bill (H.R. 10884) to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981, which had been reported from the Committee on Environment and Public Works with an amendment to strike all after the enacting clause and insert the following:

That section 205 of the Environmental Quality Improvement Act of 1970 (42 U.S.C. 4374) is amended to read as follows:

"SEC. 205. There are hereby authorized to be appropriated for the operations of the Office of Environmental Quality and the Council on Environmental Quality not to exceed the following sums for the following fiscal years which sums are in addition to those contained in Public Law 91-190:

"(a) $2,126,000 for the fiscal year ending September 30, 1979; and

"(b) $3,000,000 for each of the fiscal years ending September 30, 1980, and September 30, 1981.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on behalf of Mr. CULVER to have printed in the RECORD a statement at this point.

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

REAUTHORIZING FUNDS FOR COUNCIL ON ENVIRONMENTAL QUALITY

● Mr. CULVER. Mr. President, in 1970, Congress passed the Environmental Quality Improvement Act to provide funds and staff assistance to the Council on Environmental Quality (CEQ) for its ongoing policy analysis and research concerning environmental matters. The $3 million annual authorization for the Council on Environmental Quality expires at the end of fiscal year 1978.

The administration has asked that the law be extended at the level of $2,126,000 for fiscal year 1979 and such sums as may be necessary for fiscal year 1980. In addition, the Council has indicated it will seek increased authorizations for fiscal years 1980 and 1981, not to exceed $3 million annually.

The bill approved by the Committee on Environment and Public Works essentially reflects the administration's request by authorizing $2,126,000 for fiscal year 1979 and $3 million each for fiscal years 1980 and 1981. This amount should provide the necessary funds for ongoing research being conducted by the Council on various environmental issues such as energy development, air quality, coastal zone management and toxic substances, and permit CEQ to continue its other advisory, coordination and information-supplying activities.

Mr. President, I believe H.R. 10884 will let the Council on Environmental Quality continue its significant role in environmental affairs, and I urge the Senate to approve it.●

The amendment was agreed to.

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

The bill was read the third time, and passed.

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

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

The motion to lay on the table was agreed to.

MRS. YOUNG HEE KIM KANG, HEE JAE KANG, HEE JIN KANG, AND HEE SOO KANG

The Senate proceeded to consider the bill (H.R. 3996) for the relief of Mrs. Young Hee Kim Kang, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That, for the purposes of the Immigration and Nationality Act, notwithstanding the death on September 15, 1975, of Jun Kun Kang, who was the beneficiary of an approved petition filed April 22, 1974, in his behalf by his brother, Stanley Shin Kang, a citizen of the United States, Young Hee Kim Kang, the spouse of Jun Kun Kang, and their children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang shall, if otherwise eligible, be entitled to fifth preference status under section 203(a)(9) of the Act as of April 22, 1974.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-902), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to restore fifth preference status in behalf of Young Hee Kim Kang and her children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang. The purpose of the amendments is to clarify the language of the bill.

STATEMENT OF FACTS

The beneficiaires of this bill are a 39-year-old widow and her three children, ages 16, 14, and 9, who are natives and citizens of Korea. The husband and father of the beneficiaries was the beneficiary of a visa petition filed by his brother, a U.S. citizen. The family was in the process of obtaining immigration visas when the principal beneficiary of the petition died of cancer on September 15, 1975, in Korea. Upon his death, the visa petition automatically became invalid.

The amendment was agreed to.

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

The bill was read the third time, and passed.

The title was amended so as to read:

A bill for the relief of Young Hee Kim Kang and her children, Hee Jae Kang, Hee Jin Kang, and Hee Soo Kang.

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

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

The motion to lay on the table was agreed to.

ANADROMOUS FISH CONSERVATION ACT AMENDMENT

The bill (S. 415) to amend the Anadromous Fish Conservation Act to include fish in Lake Champlain that ascend streams to spawn was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Anadromous Fish Conservation Act, as amended (16 U.S.C. 757a-f), is amended by inserting immediately after the words "Great Lakes", wherever they appear therein, the words "or Lake Champlain".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-907), explaining the purposes of the measure.

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

INTRODUCTION

The goal of the Anadromous Fish Conservation Act is to restore severely depleted anadromous fish stocks and their habitats, to enhance existing anadromous fish populations, and to create new fisheries where possible, for the benefit of sport and commercial fisheries.

Non-Federal participants in this program include 29 State fishery agencies, universities, and one Indian tribe. Grantees with individual projects receive up to 50 percent Federal funding for eligible projects; on multi-State cooperative projects the Federal share can be as high as 66⅔ percent. Project funds can be used for construction, research, fish production, operation and maintenance of facilities, coordination and planning.

The benefits to both sport and commercial fisheries of this program have been enormous. The initiatives begun under this act have resulted in fisheries success stories throughout the country. The estimated dollar value in terms of fishery benefits both sport and commercial, during the act's 12-year funding period, is $440,600,000. Expenditures during that same period were $24,623,000.

DISCUSSION

At present only certain coastal waters and the waters of the Great Lakes are eligible for the programs within the Anadromous Fish Conservation Act. It was brought to the attention of the committee that in the waters of Lake Champlain there existed a tremendous potential for a salmonid fishery. Since 1973 much work has gone into development of a master plan for development of this fishery but work has been slowed because of limits imposed by inadequate fund-

ing, insufficient basic research on the lake and lack of programs and facilities for beginning and then managing an expanded fishery.

If the waters of Lake Champlain are included within those waters eligible for the competitive grant funds under the Anadromous Fish Conservation Act, the States bordering the lake will have the opportunity to begin in earnest the initiation of efforts to implement the master plan.

The committee also notes that because of the proximity of Lake Champlain to many of the major metropolitan areas in the northeast there is a tremendous need to develop the recreational potential on the lake. This bill by making those waters eligible for funds under the act can help the States bordering the lake fulfill this potential.

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

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

The motion to lay on the table was agreed to.

SETTLEMENT OF RETROACTIVE SOCIAL SERVICES CLAIMS

The bill (H.R. 11370) to authorize an appropriation to reimburse expenditures for social services provided by the States prior to October 1, 1975, under titles I, IV–A, VI, X, XIV, and XVI of the Social Security Act, was considered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Mr. MOYNIHAN be printed in the RECORD.

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

● Mr. MOYNIHAN. Mr. President, on December 15, 1978, I introduced S. 2360, a bill to authorize funds necessary to settle a longstanding dispute between 28 States and the Department of Health, Education, and Welfare arising out of numerous claims for social services rendered under the several titles of the Social Security Act that authorized such services prior to October 1, 1975, when the current title XX took effect.

This bill won widespread support in the Senate. Twenty-nine Senators asked to cosponsor it. On February 7, it was favorably reported by the Committee on Finance. President Carter requested the necessary funds in his fiscal 1979 budget, and the Congress made room for this expenditure in the first concurrent resolution on the budget.

On Tuesday, May 23, the House of Representatives passed the counterpart bill (H.R. 11370) by an overwhelming vote of 377 to 25. The House-passed bill is now before the Senate. It differs from S. 2360 in just a few minor technical details. In my view, we should now pass the House bill and thereby avoid any delay in the final enactment of this worthwhile, popular and uncontroversial measure.

The present title XX program represents a marked improvement over the previous social service titles under which these disputes arose in a series of misunderstandings, abuses, and apparent manipulations so well chronicled by Dr. Martha Derthick in her brilliant book, "Uncontrollable Spending for Social Services Grants" published by the Brookings Institution in 1975. It is now time to complete the transition from those programs to title XX. Passage of the present legislation, and implementation of the agreement it embodies, will have the salutary effect. It is a step forward for American federalism, and I congratulate all concerned on their success in bringing us to this point. It is also a fine example of the enduring ability of the executive branch, the two Houses of Congress, and the several States democratically to reach amicable and broadly satisfactory solutions to the problems that inevitably arise in the workings of a complex modern society.●

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

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

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

The motion to lay on the table was agreed to.

ORDER TO INDEFINITELY POSTPONE S. 2360

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 577, S. 2360, relating to settlement of retroactive social services claims, be indefinitely postponed.

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

REVISED LIST OF COSPONSORS FOR S. 50—THE FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mrs. HUMPHREY, I ask unanimous consent that the cosponsors of S. 50, as introduced on January 10, 1977, be amended to read as follows:

Mrs. HUMPHREY (for herself, Mr. NELSON, Mr. ROBERT C. BYRD, Mr. WILLIAMS, Mr. JAVITS, Mr. CRANSTON, Mr. BROOKE, Mr. JACKSON, Mr. MAGNUSON, Mr. RIBICOFF, Mr. ABOUREZK, Mr. ANDERSON, Mr. BAYH, Mr. CASE, Mr. CLARK, Mr. EAGLETON, Mr. HATHAWAY, Mr. INOUYE, Mr. KENNEDY, Mr. LEAHY, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. PELL, Mr. RIEGLE, and Mr. SARBANES).

● Mrs. HUMPHREY. Mr. President, this change is necessary so that the list of cosponsors on the legislation now being considered by the Senate Banking Committee and on the bill that has been approved by the Senate Human Resources Committee reflect those Senators who joined with me on February 23, 1978, in introducing the most recent version of the Full Employment and Balanced Growth Act.●

1938 EVIAN CONFERENCE RECALLS NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, time has given us a valuable perspective in analyzing the actions of the nations in the past, and sometimes when we study history, we can perceive grave mistakes which went unnoticed in their own day. One such tragic mistake occurred in 1938, in a conference held at Evian-Les-Bains, France.

The United States chaired this conference, and the intentions of the conference were certainly noble ones. It was clear in 1938 that the Jews in Austria and Germany were in grave peril, and the parties to the conference hoped that a land could be found for the resettlement of many of Europe's Jews. The persecution of the Jews was well underway in Austria and Germany, and that persecution was well known to the conferees at Evian.

Unfortunately, Mr. President, no one at Evian really realized or believed that the Nazis would act to exterminate the Jewish race. None of the great countries of the world was willing to accept a large number of Jewish refugees. The problem, by the way, was not securing their release from Germany and Austria. Rather, it was finding a country which was willing to absorb the refugees.

The Evian Conference was worse than a failure. It not only failed to find some way to help the Jewish refugees, but it also broadcast to the German leaders the lack of resolve which the other major powers had to take action to save the Jews. Hitler himself, in a speech after the Evian Conference, said:

The other world is oozing with sympathy for the poor, tormented people, but remains hard and obdurate when it comes to helping them.

The true consequences of the Evian Conference were not realized until after World War II, when the extent of the program became clear. Six million Jews had been killed.

I ask unanimous consent that an excellent article by Peggy Mann about the Evian Conference, which appeared in a recent edition of the Washington Post, be printed in full immediately following my remarks.

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

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I also wish to take this opportunity to point out to Senators that the Evian Conference shows that inaction can have very serious consequences. Today, the Genocide Convention awaits the action of the Senate. For 30 years, this treaty has been pending before the Senate, while over 80 other nations have ratified its provisions. This treaty, which would make the commission of genocide an international crime, was drafted largely because of the atrocities which occurred in Germany and Austria during World War II. The United States failed to act affirmatively at the Evian Conference. I hope that we will not continue to make the same mistake twice. I urge the Senate to ratify the Genocide Convention as soon as possible.

EXHIBIT 1

PRELUDE TO HOLOCAUST

(By Peggy Mann)

EVIAN-LES-BAINS, FRANCE.—I stood on a lawn overlooking Lac Leman where tiny sailboat triangles moved slowly through the evening. Behind me rose the white splendor of the Royal Hotel. It was a setting epitomizing peace, well-being. Yet, this is the place where, in July, 1938, the holocaust—the murder of two-thirds of Europe's Jews—could have been halted.

Here, in the famed French resort, 15 weeks after Hitler annexed Austria, delegates from 32 nations met to determine how they could rescue the Jews of the Greater German Reich, help them to reestablish their lives elsewhere.

Never before in history had nations of the world gathered together for the single purpose of saving a doomed people. "Nations of Asylum" they called themselves.

The conference had been organized by President Franklin D. Roosevelt, who appointed Myron C. Taylor, former president of U.S. Steel, as his special ambassador. All of the delegates were important men: three ambassadors, three ministers, 13 envoys and 13 other diplomats of high status. They settled into their luxurious suites at the Royal Hotel buoyed by the aura of expectancy and good will which news of the conference had engendered.

Reporters from the 32 nations attended. Two days before the opening of the conference, Anne O'Hare McCormick wrote in The New York Times: "It is heartbreaking to think of the queues of desperate human beings around our consulates in Vienna and other cities waiting in suspense for what happens at Evian. But the question they underline is not simply humanitarian . . . It is a test of civilization . . . Can America live with itself if it lets Germany get away with this policy of extermination, allows the fanaticism of one man to triumph over reason, refuses to take up this gage of battle against barbarism?"

Who were these "Nations of Asylum?" Argentina, Australia, Brazil, Colombia, Denmark, the United States, Great Britain and her Commonwealth countries, France, Belgium, Sweden, Norway, the Netherlands, Switzerland, nations of Latin America and Africa. Only two countries, Italy and South Africa, turned down the invitation, but South Africa sent an observer.

There also was a contingent of uninvited observers: Nazis. No one knew quite what to do about this, so they were allowed to remain. They showed up at every session, most of them dressed in mufti. And they took careful notes during all the proceedings.

Also attending were top officials of 39 refugee organizations, including 20 Jewish organizations, who had come to present the delegates with eyewitness accounts, reports, statistics, all of which culminated in one irrefutable conclusion: the Jews of Hitler's Reich were doomed unless they could get out of Germany and Austria.

And they could get out—then. Indeed, the official German policy in 1938 was to make the Reich Judenrein—purified of Jews—by getting the Jews out. There was only one problem. Who would let the Jews in?

A sad joke was making the rounds in the Reich. A Jew goes into a travel agent; he wants to take a trip. The agent sets a globe on the counter before him. "There. The world. Choose." Slowly the Jew turns the globe, studying it carefully. Finally, he looks up and says: "Have you got anything else?"

There was, in fact, only one spot in the world where Europe's Jews were welcomed. Palestine. At least they were welcomed by the Jews of Palestine, not by the Arabs of Palestine. And not by the British who held a League of Nations mandate to rule over Palestine. Just prior to the Evian Conference, the deputy head of the British delegation, Sir Michael Palairet, succeeded in winning a promise from Taylor that the world's most eloquent spokesman for increased Jewish immigration to Palestine, Dr. Chaim Weizmann, would not be allowed to speak. Not only was Dr. Weizmann an eloquent spokesman, he also was the most official spokesman the Jewish people had. He was president of the World Zionist Organization and president of the Jewish Agency, the widely recognized government of the Jewish people. A 40-year-old woman named Mrs. Golda Meyerson (Meir) had been sent to Evian by the *Yishuv*, the Jews of Palestine, because of her direct forcefulness as a speaker. But she also was not allowed to speak.

A heated debate took place during the first 2 days of the conference. The subject: which of the three main powers, the United States, France or Britain, should chair the proceedings. It was finally decided that the honor should go to the United States.

Then the representatives of the 39 refugee organizations were heard. All of their presentations were scheduled for a single afternoon. Each representative was given 10 minutes. As the afternoon wore on, the time allocated was cut to 5 minutes. The World Jewish Congress, which represented 7 million Jews, had 5 minutes. The Association for Aid to German Scientists had 5 minutes. The delegation of Jews of the Reich did not receive any time at all. They were told to submit a written memorandum to be included in the minutes.

HORRORS IN AUSTRIA

In the limited time at their disposal, the advocates of Jewish survival detailed horrors which had been happening for the past 3 months in Austria: tens of thousands of Jews thrown into concentration camps . . . men, women, even small children cornered on the streets, beaten, kicked, whipped by black-booted SS men . . . rabbis sent to clean the SS toilets . . . Jewish women forced down on their knees to scrub the gutters, often with acid added to the scrub water . . . throughout the country civilians "cooperating" with the SS by beating up Jews, evicting them from their flats, breaking into Jewish shops and homes, carting out anything of value. The explosion of terror and sadism even exceeded what had been seen in Germany.

Newspaper reports also were distributed to the Evian delegates. For example, two weeks before Evian, The London Times Vienna correspondent had written about "the constant arrest of the Jewish population. No specific charge is made, but men and women, young and old, are taken each day and each night from their houses or in the streets and carried off . . . There can be no Jewish family in the country which has not one or more of its members under arrest. The state of hopelessness and panic which is engendered can be imagined . . ."

In Austria, it had been happening for 3 months, since Hitler took over that country. In Germany it had been happening for 3 years, starting officially with the Nuremberg Laws of Sept. 15, 1935. The German Jew was not recognized as a citizen. All Jews in the civil service had been fired. Jewish teachers had been fired. Jews were excluded from the entertainment industry, from journalism, radio, the stock exchange, law. Indeed, by 1937, half the Jews in Germany were unemployed. And signs had started appearing throughout the county, signs on butcher shops, dairies, groceries, pharmacies: No Jews Allowed. Thus, in many towns, Jews could not buy milk for their children, medicine for their sick. Jewish children had to attend segregated schools and even kindergartens bore the signs: Jewish Scum, or Cursed Be the Jew.

Meanwhile, a brand new First Reader had been issued for small German Aryans. In the section on religion, for example, the youngsters read: "Remember that the Jews are children of the devil and murderers of mankind. Whoever is a murderer deserves to be killed himself."

A month prior to the Evian Conference, the Great Synagogue of Munich was destroyed on Hitler's personal orders, followed by the destruction of synagogues in Nuremberg and Dortmund. Two weeks before the conference, 15,000 Jews were arrested throughout Germany, sent to concentration camps. In Buchenwald, Jews were whipped, tortured in the day time. And all through the night a recorded voice kept shouting through the loudspeaker. "Any Jew who wishes to hang himself is asked first to put a piece of paper in his mouth with his number on it, so that we may know who he is."

Today, when asked how many of the 6 million annihilated Jews came from Germany and Austria, most people answer, 3 million, 4 million or more.

The fact is that at the time of the Evian Conference there were only 350,000 Jews in Germany and 220,000 in Austria. The 32 "Nations of Asylum," many of which had vast areas of unpopulated lands, could easily have agreed to save every Jew in the Greater German Reich? How many did they agree to save?

WHAT THE U.S. DID

Taylor was the first to speak on the subject. His words were awaited with great anticipation. Not only had the conference been called by the American president, but, in his opening address, he had exhorted the delegates to uphold "those principles which we have come to regard as the standards of our civilization."

Some delegates wondered whether the United States would agree to accept all the Reich's 570,000 Jewish refugees. (A generation later, the United States accepted 585,000 Cuban and Vietnamese refugees, with no noticeable ill effects on the economic life of the nation.)

Carefully, Ambassador Taylor explained that the United States had its quota system which could not be changed. However, an important new step now would be taken. Although the total German quota was 25,957 per year, it so happened that a total of only 27,000 Jews had been admitted to the United States during the past 6 years. (This had been brought about through a number of factors. They ranged from a "roadblock" set down by President Herbert Hoover in 1932 with the intent of discouraging immigration to the depression-ridden United States to the outright anti-Semitism of certain local U.S. consuls who made the on-the-spot decisions as to who should be granted visas.) Although, said Ambassador Taylor, unused quotas of previous years could not be used in subsequent years, U.S. consuls were being advised that the severe restrictions they had imposed upon Jewish refugees should be lifted for the current year, so that the full quota of 27,730 German and Austrian immigrants would be admitted each year. (This included, of course, any Christians who wished to come.)

There was a stunned silence as the ambassador sat down. This was the great gesture of hope and help offered by the nation populated by immigrants, the nation which for generations had offered asylum to Europe's oppressed?

Why had Roosevelt called the conference if this was the example the United States planned to set? Countless polls had shown that Americans, on the whole, were dead set against any increase in immigration quotas. On the other hand, the Nazi annexation of Austria had brought about increased pressure from many organizations, congressmen and reporters (notably Dorothy Thompson) for a State Department action to aid the refugees. According to an internal State Department memorandum, the Evian conference would enable the United States to "get out in front and attempt to guide the pressure, primarily with a view toward forestalling attempts to have the immigration laws liberalized."

Roosevelt sincerely hoped that the Evian conference, large underpopulated countries would accept the Jews of the Reich. Indeed, he previously had proposed this idea to Brazil.

The United States was only the first nation to be heard from. There were 31 others, some of them the largest and least populated countries in the world. Surely they

would find room for the refugees: Canada, the second largest nation in the world; Brazil, the fifth largest; Australia, the sixth largest. Between them they could easily absorb all the half-million would-be refugees.

The delegate from Canada explained that Canada could accept only experienced agricultural workers. (Colombia, Uruguay and Venezuela, it turned out, also had the same immigration restriction.)

What of the vast and underpopulated nation of Brazil? When inviting countries to the conference, the U.S. State Department had made it clear that no country "would be expected to make any change in its immigration legislation." And just before coming to the conference, Brazil had enacted a brand new law—henceforth, every visa application must be accompanied by a certificate of baptism. So, unfortunately, Brazil could not accept any Jews at all.

The entire continent of Australia had a population of the city of London today. "Populate or perish" was a popular Australian slogan. Politicians were warning that if Australians did not populate their own 3 million square miles, someone else would do it for them. Yet, the Australian delegate, Lt. Col. J. W. White, minister of commerce and customs, explained that Australia could accept only 15,000 Jewish immigrants over a 3-year period. "As we have no real racial problem, we are not desirous of importing one." (Actually, from 1933 to 1943, only 9,000 entered the country.)

The British delegate had similar worries. A rush of Jewish refugees from the Reich "might arouse anti-Semitic feeling in Great Britain." Nor did the British colonial empire contain territory suitable for the large-scale resettlement of the refugees. (No mention was made of Palestine.)

The French delegate announced that his country had already taken in 200,000 Jews and "had reached the saturation point."

Nicaragua, Costa Rica, Honduras, all classified intellectuals and merchants as undesirables. Unfortunately, half the Jews in Germany and Australia fell into the "intellectual" category; doctors, lawyers, professors; most of the rest were businessmen.

The Swiss delegate spoke about the "inundation" of Jewish refugees after the fall of Austria to Hitler. Three or four thousand had already fled across the border, and unless the flow stopped, he warned, "Switzerland, which has as little use for these Jews as has Germany, will herself take measures to protect Switzerland from being swamped by Jews with the connivance of the Viennese police."

And so it went during the final days of the conference. One delegate after another rose with a similar message: The situation for Jews in the Reich was, indeed, horrendous. Unfortunately, his country's laws prevented any concrete aid. But he was certain that other nations would open their doors.

Three small countries did express willingness to help. Holland, the most densely populated of the Evian nations, with some 800 people per square mile, had already taken in more than 25,000 Jewish refugees, but offered itself as a country of temporary asylum. (The Germans invaded 2 years later, and by the end of the war, 75 percent of the Jews in Holland had perished.)

The Danish delegate stated that his overcrowded country would continue to accept refugees. (And Denmark took in—and protected—1,500 Jews.) The Dominican Republic announced it would settle 100,000 refugees. (However, due to innumerable roadblocks, only 500 found a home there.)

Even the positive proposals put forth by these three small nations at Evian were drowned out by an official resolution passed unanimously on the final day of the conference: "The delegates of the Countries of Asylum are not willing to undertake any obligations toward financing involuntary immigration." In simpler words, only Jews who could afford to pay their way would be accepted. Since it had been clearly brought out at the conference that no Jew was permitted to leave Germany or Austria with more than 10 Reichsmarks—less than $5—that single resolution made every Jew from Germany and Austria officially and automatically unacceptable to "the Countries of Asylum."

Furthermore, at the request of some of the South American delegates, "contentious allusions" to the Third Reich were omitted in the final resolution.

The delegates then appointed a committee to study the matter further: The Intergovernmental Committee on Refugees. The director was an American lawyer, George Rublee, a friend of FDR. The committee set up headquarters in London.

1938 GERMAN POGROM

On Nov. 9 and 10, four months after Evian, came the *Kristallnacht* (crystal night, so-called after the glass that littered the streets from the windows of Jewish homes and businesses), the ghastly government-sponsored campaign of arson, mayhem and terror aimed exclusively at Jews and carefully organized throughout every village, town and city of Germany and the country which had been Austria. Some 267 synagogues and congregational buildings were razed, and 7,500 Jewish shops were damaged, virtually the entire number which remained in the Reich prior to Nov. 9. A few Jews were thrown out of apartment house windows and from moving trains. Some were shot while trying to escape. Nearly 30,000 Jewish men between 16 and 18 were arrested on Nov. 10 and sent to concentration camps, 10,911 to Dachau, 9,845 to Buchenwald and 9,000 to Sachsenhausen.

In the villages, Nazi *gauleiters* held competitions to see which community should be "purified" of Jews first. Men, women, even small children were dragged from their homes, driven and whipped through the streets. Some were tethered to horse carts, their bodies pulled down country roads. Some were tied up and thrown into rivers. A few were hung. Official German figures listed 33 German Jews killed. But reporters and diplomats counted many more Jews murdered.

The *Kristallnacht* was the worst pogrom the modern world had, as yet, known, and outrage replaced apathy as tens of thousands of citizens of the Countries of Asylum petitioned their governments to immediately open their doors to the imperiled Jews of the Reich. Britain took in 9,000 Jewish children; Holland took in 1,700; Belgium accepted several hundred more. And George Rublee felt that now, finally, the time had come. Now the 32 nations must act. He put forth a simple plan. Each of the 32 nations should at once accept 25,000 Jews.

If only half the 32 nations had agreed, every Jew in the Reich could have been saved. None agreed.

Four days after the *Kristallnacht*, Rublee wired Secretary of State Cordell Hull: "The attack on the Jewish community in Germany on the one hand and the indifference of the participating (Evian) governments to the fate of the victims on the other has brought the affairs of tthe Intergovernmental Committee to a critical state where, in our opinion, immediate action is required if the president's initiative is to lead to a positive result . . .

"With the exception of the United States, which has maintained its quota, and the British Isles, which are admitting immigrants at a current month's rate equal to the rate immigrants are being admitted to the United States, doors have been systematically closed to involuntary immigrants since the meeting at Evian.

Indeed, during the four months since the Evian Conference some of the nations of asylum, including Argentina, Mexico, Chile and Uruguay, had adopted new and even more restrictive immigration regulations, specifically designed to keep out Jews.

On Nov. 15, the day after Rublee's urgent cable to Hull, President Roosevelt held a press conference. His prepared statement on the *Kristallnacht* included the realization that: "The news of the past few days from Germany has deeply shocked public opinion in the United States . . . I myself could scarcely believe that such things could occur in a 20th century civilization."

When a reporter asked whether the president would recommend a temporary change in the immigration laws so that more refugees would enter the United States, he replied that no such changes were being considered.

Was the United States contemplating breaking trade relations with the Third Reich?

"No," said the president.

Similar reactions were forthcoming from other "Evian nations." Most of the nations of asylum expressed their strong disapproval of the *Kristallnacht*. But none modified their immigrations laws so that the Reich's half-million Jews could be saved.

GERMAN REACTION

What if the Evian Conference had proceeded according to the desperate hopes of European Jewry? What if the delegates of the Nations of Asylum had stood up, one after the other, to announce their nations' horror at what was happening to the Jews of Germany and Austria? What if each nation at Evian had immediately agreed to take in 17,000 Jews at once? Every Jewish man, woman and child in Germany and Austria could have left for a new homeland.

But, as Golda Meir later wrote, "After the conference at Evian-les-Bains, it became chillingly clear that the Jewish people were entirely 'on their own.' "

The Evian Conference took place 8 months before Germany's annexation of Czechoslovakia, 14 months prior to the Nazi invasion of Poland and the outbreak of World War II. During all those strategic months, it was only the Reich's 570,000 Jews who were in dire danger. Their lives, in any case, would have been saved.

Could the holocaust have been halted at Evian? No one can second-guess history. But after a staunch expression of world opinion regarding the horrors being perpetuated on the Jews of the Reich—world opinion backed by world action—it seems almost inconceivable that Hitler would have proceeded with his "final solution to the Jewish problem."

What is certainly clear is that, in Hitler's view, the Evian Conference gave him carte blanche to go ahead.

Just prior to the conference, Hitler had said in a speech at Konigsberg, "I can only hope and expect that the other world, which has such deep sympathy for these criminals, will at least be generous enough to convert this sympathy into practical aid. We, on our part, are ready to put all these criminals at the disposal of these countries, for all I care, even on luxury ships."

In a speech made immediately after the conference, Hitler derided "the other world" which "is oozing sympathy for the poor, tormented people, but remains hard and obdurate when it comes to helping them."

The Danziger Vorposten summed up reaction to Nazi newspapers in a single sentence: "The Evian Conference serves to justify Germany's policy against Jewry."

After the conference, when French Foreign Minister Georges Bonnet informed Germany Foreign Minister Joachim von Ribbentrop that France's great interest in the Jewish problem was "not to receive any more Jews," Ribbentrop replied with understanding, "We all wish to get rid of the Jews. But no country wishes to admit them."

On Oct. 14, 1938, the French wrote an explanatory memorandum to the German Foreign Ministry about the intergovernmental Committee on Refugees which had been born at Evian. This document stressed the purely humanitarian function of the committee, and reassured the Germans that "none of the states would dispute the absolute right of the German government to take, with regard to certain of its citizens, such measure as are within its own sovereign powers."

Hitler then informed the South African defense minister, Oswald Pirow, "We shall solve the Jewish problem in the immediate future . . . The Jews will disappear."

On Nov. 22, 1938—4 months after Evian—a front page article appeared in Das Schwarze Korps, official newspaper of the Gestapo: "Because it is necessary, because we no longer hear the world's screeching and because, after all, no power on earth can hinder us, we will now bring the Jewish question to its totalitarian solution." Steps toward the final solution were outlined, concluding with the sentence: "The result would be the actual and definite end of Jewry in Germany and its complete extermination."

There are few people today who even remember the momentous conference which, perhaps, more than any other single factor underwrote the death warrant for 6 million European Jews. However, when I visited Evian last summer, I did find one man who remembered: Rene Richier, the elderly concierge at the Royal Hotel. He was a concierge then, at the time of the conference.

"Oh yes," Richter told me, "I remember the Evian Conference well. Very important people were here and all the delegates had a nice time. They took pleasure cruises on the lake. They gambled at night in the casino. They took mineral baths and massages at the *Etablissment Thermal*. Some of them took the excursion to Chamonix to go summer skiing. Some went riding; we have, you know, one of the finest stables in France. Some played golf. We have a beautiful course overlooking the lake. Meetings. Yes, some attended the meetings. But, of course, it is difficult to sit indoors hearing speeches when all the pleasures that Evian offers are waiting right outside."

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

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

NO SPECIAL ORDERS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

RECESS UNTIL 10 A.M. TOMORROW

Mr. WILLIAMS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, the Senate stand in recess until 10 o'clock tomorrow.

The motion was agreed to; and at 6:07 p.m., the Senate recessed until tomorrow, Friday, May 26, 1978, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 25, 1978:

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

The following-named persons to be members of the Federal Mine Safety and Health Review Commission for the terms indicated:

For a term of 4 years:

Marian Pearlman Nease, of Maryland.

For a term of 6 years:

Frank F. Jestrab, of North Dakota.

A. E. Lawson, of Pennsylvania.

FEDERAL TRADE COMMISSION

Robert Pitofsky, of Maryland, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1975, vice Calvin Joseph Collier, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general:

Lt. Gen. DeWitt Clinton Smith, Jr., XXX-X... XX..., (age 57), Army of the United States (major general, U.S. Army).

WITHDRAWAL

Executive nomination withdrawn from the Senate May 25, 1978:

THE JUDICIARY

Len J. Paletta, of Pennsylvania, to be U.S. district judge for the western district of Pennsylvania, which was sent to the Senate on April 7, 1978.

EXTENSIONS OF REMARKS

LT. GEN. WOODROW W. VAUGHAN, USA

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1978

● Mr. McFALL. Mr. Speaker, on June 30, 1978, a dedicated senior officer of the U.S. Army and Director of the Defense Logistics Agency will retire after 38 years of commissioned service to his country.

I daresay Lt. Gen. Woodrow W. Vaughan, USA, is not widely known among the people of the United States or indeed, I imagine, among the Members of this body. He has not appeared in the media amid controversy nor has he evoked renown at the head of troops carrying war to the enemy. Nevertheless, every service man and woman, and great numbers of their dependents have been touched by "Woodie" Vaughan's professional stewardship and concern for their well-being. It has been his job to promote their health and welfare by effective and efficient management and supply of the food they eat, the clothing they wear, and the medicines that keep them well wherever they are located in the world.

But, as critical as these commodities are, General Vaughan's jobs involved even greater challenge, overseeing the most intricate, essential consumable parts and pieces that keep our aircraft, ships, missiles, and guns combat ready. He has been responsible for the acquisition, management, and supply to all the Armed Forces—and to the civil agencies of the Government as required—of most of the consumable items of construction, electronics, fuel, general and industrial materiel. He also has been responsible for administering most Defense contracts except for those for complete aircraft, missiles, ships, and vehicles. These have been no small jobs; they have direct vital effect on the combat readiness of the entire military establishment of this Nation. He has performed them with truly outstanding professionalism.

Rather than outlining General Vaughan's life and career from his birth in Woodford, Okla., today, I ask unanimous consent to include with these remarks a biographical sketch which paints a picture of a determined dedicated soldier who has devoted most of his life to being at the top among military business managers. But, this biography does not highlight what may be one of the most outstanding characteristics of "Woodie" Vaughan. Those of you who have met General Vaughan, or perhaps contacted him on behalf of a constituent involved in some way with the general's command, probably have been struck by his forthrightness, sincerity, and honesty. Those are the hallmark of the man, the willingness, indeed the determination to "tell it like it is"—warts and all. In testimony before committees inquiring into his command's operations he is likely to say "it was dumb" when a mistake had been made or some initially great plan or decision turned out to be something much different. I find such expressions of integrity refreshing and needed more in public servants at all levels. His devotion to the logistical support of the military fighting man, his professionalism, and his sincere honesty will be missed.

I urge my colleagues to join me in wishing "Woodie" Vaughan, and his wife Beth, the best of God's and America's blessing in the years ahead. They are well earned.●

INFLATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1978

● Mr. COLLINS of Texas. Mr. Speaker, the No. 1 concern in Texas, Washington, and everywhere is the issue of inflation.

When I come back to Washington, I hear mostly double talk about the subject. The facts are that overspending in