AUGUST 29

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

SEPTEMBER 7

10:00 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the lengths of motor tractor trailers.
235 Russell Building

SEPTEMBER 8

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2970, proposed Truck Safety Act.
235 Russell Building

SEPTEMBER 14

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter and its overall policy.
2228 Dirksen Building

SEPTEMBER 19

9:00 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1845, to prevent unwarranted invasions of privacy by prohibiting the use of polygraph type equipment for certain purposes.
6226 Dirksen Building

9:30 a.m.
Human Resources
Labor Subcommittee
To hold hearings on S. 3060, proposed National Workers' Compensation Standards Act.
4232 Dirksen Building

SEPTEMBER 20

9:30 a.m.
Human Resources
Labor Subcommittee
To continue hearings on S. 3060, proposed National Workers' Compensation Standards Act.
4232 Dirksen Building

SEPTEMBER 21

9:00 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1845, to prevent unwarranted invasions of privacy by prohibiting the use of polygraph type equipment for certain purposes.
5110 Dirksen Building

SEPTEMBER 22

9:30 a.m.
Human Resources
Labor Subcommittee
To resume hearings on S. 3060, proposed National Workers' Compensation Standards Act.
4232 Dirksen Building

CANCELLATIONS

AUGUST 18

10:00 a.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on S. Res. 323 and 469, expressing the sense of the Senate concerning human rights in Cambodia.
4221 Dirksen Building

SENATE—*Thursday, August 17, 1978*

(Legislative day of Wednesday, August 16, 1978)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Reverend Dr. Robert B. Harriman, director, the Presbyterian Council for Chaplains and Military Personnel, Washington, D.C., offered the following prayer:

Let us pray. Almighty God, who has blessed us with the gift of life, with trust in Thy love and mercy we approach our tasks in the assurance that Thy wisdom and guidance are sufficient for each moment. Bless this body so that all here done may be in keeping with Thy holy will. To these Thy servants, entrusted with burdensome responsibilities, give strength of body, mind, and spirit. Make them thorough in all their deliberations, wise in all their consultations, and steadfast in all their decisions. Although we differ in talents, interests, and concerns, let there be evidence of respect and cooperation, so that all enacted within these Halls shall be in harmony and for the welfare of the Nation. Remove prejudice or scorn for those who differ with us. Aid us in avoiding all which divides and destroys. May the unity thus achieved reflect Thy holy will for this Nation and its people. Thine be the glory, now and forever.

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., August 17, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

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

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

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

AUTHORIZATION FOR MAJORITY LEADER TO CALL UP H.R. 10878

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the majority leader may be authorized at any time today to call up H.R. 10878.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair recognizes the minority leader.

Mr. STEVENS. Mr. President, I yield the minority leader's time to the Senator from New Mexico.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. SCHMITT) is recognized.

THE BALLOONING ACHIEVEMENTS OF NEW MEXICANS

Mr. SCHMITT. Mr. President, yesterday and today, Americans have been greeted with the information as to the achievement of three Americans in the area of human adventure.

In this case, in an age that has seen men on the Moon and many other spectacular activities of exploration, we suddenly are confronted with men doing what others have dreamed of for many centuries: They have gone back to some of the very basic first ideas of flying, and that is flight by balloon.

Three New Mexicans—representing not just New Mexico, of course, but the United States as well, and I think most of mankind—have crossed from North America to Europe in a balloon.

This is a spectacular achievement, for which Mr. Max Anderson, Mr. Ben Abruzzo, and Mr. Larry Newman, of Albuquerque, N. Mex., certainly deserve our greatest admiration.

I hope it is realized by my colleagues that the spirit of exploration is alive and well in New Mexico in many areas. This is just another example of the kinds of things that we think this great country can do. With motivation and with a goal, there are no limits to what Americans can do, if they decide to proceed.

These three men—Mr. Abruzzo, Mr. Anderson. and Mr. Newman—join Nancy Lopez, of Roswell, N. Mex., in the golfing world; Al and Bobby Unser, of Albu-

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querque, in the driving world; Frank Shorter, of marathon fame; George Young, of distance running and steeplechase fame; and Ralph Kiner, of baseball fame, in adding not only to the achievements of New Mexicans, but also to the achievements of this country.

CUTTING TAXES AND CUTTING SPENDING

Mr. SCHMITT. Mr. President, there is a great deal of talk and publicity today about cutting taxes. The Senator from New Mexico is an ardent supporter of gradual, permanent tax reductions, and, as such, is a sponsor of the Kemp-Roth reduction in personal income taxes and the Steiger-Hansen reduction in the capital gains tax.

However, this Senator also is a supporter of gradual and significant reduction in Federal spending. There is absolutely no question that any tax reduction must go hand in hand with a reduction of Federal spending, if we are to avoid further inflationary pressures and have some hope of reducing those pressures.

Both tax reduction and spending reduction must happen, and they must happen soon. The muscles of our country are weakening under the continuing impact of double-digit inflation and excessive taxation of the incomes of our people.

Although an article which appeared recently in Business Week, by Seymour Zucker, entitled "The Fallacy of Slashing Taxes Without Cutting Spending," is somewhat critical of tax reduction efforts, I think it can be read as advocating both tax reduction and a spending reduction.

I ask unanimous consent to have that commentary printed in the RECORD.

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

[From the Business Week, Aug. 17, 1978]

THE FALLACY OF SLASHING TAXES WITHOUT CUTTING SPENDING

(By Seymour Zucker)

Arthur B. Laffer first drew the curve on a napkin in a Washington restaurant back in 1974. It popped into his head as he was trying to persuade an aide of former President Ford that U.S. tax rates were so high that they were stifling economic growth. Lower tax rates, he maintained, would send employment and investment soaring to the point where tax revenues would actually rise, despite the lower rates. Laffer has been preaching that gospel ever since. And the Laffer curve—which purports to show the perverse effects of a high tax rate on government revenues—is being advanced as the economic rationale for the Kemp-Roth bill, the biggest tax-cut proposal in history.

Riding in the wake of Proposition 13, which cut California property taxes by 60 percent, Kemp-Roth is picking up strong support, especially among congressional Republicans. No one expects it to pass this year, but it stands a good chance of becoming the key domestic issue in the Republican congressional campaign in November and could also play a role in the Presidential election in 1980. The bill introduced by Representative Jack Kemp (R-N.Y.) and Senator William V. Roth Jr. (R-Del.), would reduce everyone's taxes over the next three years by one-third, thus costing about $124 billion in tax revenues. Its sponsors are pushing the Laffer argument that the tax cut will generate an economic boom of such proportions that in a few years the government will recoup all the initial revenue loss and then some. The reason: The huge tax cut will spark the incentive to work and invest, thus increasing the tax base. The effect is to shrink the deficit without cutting government spending by as much as a nickel.

Elementary. Laffer may have sold some politicians, but not his fellow economists. The economics profession—including some leading Republican economists who support Kemp-Roth—think Laffer would have done well to leave the napkin behind for the waiter to dispose of. They see huge deficits and a rip-roaring inflation if Kemp-Roth is enacted without offsetting cuts in expenditures. To Harvard's Martin Feldstein, the theoretical principle that at some point reducing rates actually increases tax revenues "is something we teach in the first week of the course in public finance." The critical empirical question is to determine when the tax schedule gets into that range, he notes.

"The Laffer curve is more or less a tautology," says conservative economist George J. Stigler of the University of Chicago, where Laffer taught before going to the University of Southern California in 1976. "It has to be right at some level. If enterprise is not discouraged at 95%, then move it to 105% and Laffer would be right by definition." But in Stigler's view, Laffer has failed to show that the current tax structure—where the highest rate on earned income is 50%—has such an adverse effect on incentives that reducing rates would actually increase revenue. "Laffer is no longer a very serious scholar," says Stigler. "He is playing the role of a propagandist, and as such he is performing some service. But I would not base a $125 billion tax cut on his work."

Feldstein and Stigler are not alone in their criticism of Laffer. Alan Greenspan, chairman of the Council of Economic Advisers under President Ford, favors Kemp-Roth—with some changes—because he holds that the only way to cut the growth of government spending is to cut taxes. So he says: "I'm for cutting taxes, but not for Laffer's reasons. I don't know anyone who seriously believes his argument."

Just how far off base is Laffer on the tax-revenue effects of Kemp-Roth? Otto Eckstein, president of Data Resources Inc., has run the Kemp-Roth proposal through DRI's huge computer forecasting model. Assuming that it takes effect in 1979 and that there are no compensatory spending cuts, the DRI model shows that the deficit will grow progressively worse. By 1983, the red ink in the budget—including additional interest payments—will increase to a mind-numbing $100 billion. So rather than recouping the entire cut, as Laffer argues, DRI funds that the Treasury gets only about $25 billion of it.

Overwhelming evidence. To be sure, economists agree that a tax cut would increase total demand and national income and thus partly offset the initial revenue loss. But to offset the effect of lower tax rates fully, total income would have to rise by some four times the original amount of the cut. And the evidence is overwhelming that no cut in taxes could generate a rise in spending and income of that size. A $10 billion tax cut, for example, produces roughly an extra $15 billion of gross national product. The current marginal tax rate against total GNP works out to 25%, so the $15 billion creates $3.75 billion in new taxes—thus recovering barely a third of the initial $10 billion. And under Kemp-Roth, which would cut into the marginal rate itself, the outcome would be worse.

Laffer argues that this kind of calculation greatly underestimates the stimulative effect of the tax cut, because it ignores the impact of the cut on the incentives to work and save. This incentive effect unleashes a sharp increase on the supply side because more people are willing to work, save, and invest. But virtually no one else sees the magic. For example, Herbert Stein, CEA chairman under President Nixon, claims there is no evidence that the supply responses are anywhere near the magnitude necessary to prevent revenues from falling.

Stein's analysis stands in stark contrast to the Laffer contention that the tax revenues will flow back within a few short years. Using the most favorable assumptions about the response of workers and savers to the lower tax rates, he concludes that it would take "about 30 years to regain the revenue level that would have been achieved without the tax cut."

Runaway inflation. Laffer also maintains that Kemp-Roth not only will increase real output but should actually have a dampening effect on inflation. "Excessive money growth has long been recognized as a cause of inflation. It is equally true, however, that too few goods will also cause prices to rise." So as the economy booms, more goods will be produced, and this, he believes, will result in lower prices.

To be sure, Laffer is correct that Kemp-Roth would increase real output—at least in the short run. Eckstein's model shows that the economy in a few years would be booming, with unemployment falling below 5%. But inflation would be on the march. By 1982, for example, the rate of inflation would be almost 2 percentage points higher than without the cut, he calculates. And even this scenario may be overly optimistic. Econometric models have been notorious for underestimating inflation. More important, the model assumes that monetary policy is neutral even in the face of accelerating inflation. But as the deficit soars and inflation really gets rolling, the monetary authorities will have no choice but to tighten the monetary vise. And that means that capital spending and housing get clobbered, and the economy goes tailspinning into recession. So even the spurt in real growth generated by Kemp-Roth may be short-lived.

Laffer and other proponents of Kemp-Roth point to the Kennedy tax cuts of 1962 and 1964 as examples of how sharp reductions in tax rates can generate sustained bursts of economic growth. But their claims have been dismissed as wildly excessive by none other than Walter W. Heller, CEA chairman under Kennedy and Johnson. Heller fought hard for the Kennedy tax cuts, and he would dearly love to take credit for engineering the above-average economic growth that took place between 1962 and 1967. The beneficial effects of those cuts—about $12 billion, or $36 billion in today's prices—were on the demand side, not on the supply side, he holds. The key difference between the early 1960s and now is that the current inflation rate hovers near the double-digit level, compared with about 1.5% then. A tax cut—even one of only $36 billion—carries with it the danger of fueling an inflation from which the nation will take years to recover.

WORLD ADMINISTRATIVE RADIO CONFERENCE

Mr. SCHMITT. Mr. President, an issue that has gained fortunately increasing attention in the press and in Congress is the issue of the World Administrative Radio Conference which is to convene next year in Geneva. This conference is a continuation of discussions by the nations of the world on how high frequencies and satellite positions in orbit are going to be allocated in the future.

The issues that are raised by this conference, commonly known as WARC, are ones which will have a tremendous impact on the future of American technology, American business, and the American Defense Establishment.

It is my hope that the Senate, which must eventually approve any treaty that comes out of the conference, will begin to educate itself on the fantastic implications of adverse policy decisions that may come from that conference and assist those of us in the Commerce Committee and others in insuring that the administration takes a much more in-depth and higher level examination of what our policies will be and what the implications of those policies will be for the Government and for the national economy.

Satellite communications are the wonder of the modern age. They are the first representative of civilization from Earth into space, and clearly our society has become dependent upon those communications.

To do anything that would reduce our ability to use satellite communications and the frequencies required for those communications would be a serious mistake in this Senator's opinion, and I think it is one that the Senate, of course, will not allow the administration to make.

Mr. President, at this point I ask unanimous consent that a summary of the situation relative to the World Administrative Radio Conference that was published in Science on August 11, 1978, entitled "Encounters with the Third World Seen in Allocating Frequencies" be printed in the RECORD.

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

ENCOUNTERS WITH THE THIRD WORLD SEEN IN ALLOCATING FREQUENCIES

WARC, which stands for World Administrative Radio Conference, is hardly a household acronym. However, WARC is likely to achieve a higher recognition quotient because it deals with one of those subjects which were formerly regarded as essentially technical, but have taken on serious international economic and political implications.

At issue is the electromagnetic spectrum, or at least that portion of it used for telecommunications. WARC is a function of the International Telecommunication Union (ITU); a major conference is held every 20 years, the principal purpose of which is to allocate frequencies. The next one is set for September of next year in Geneva.

In the past, even at the last big conference in 1959, the industrial nations, with the United States taking the lead by virtue of its technical supremacy, got pretty much what they wanted at WARC. In the past two decades, however, the explosion of electronics and space technology, particularly the development of satellite communications, vastly increased civil and military uses of the spectrum and sharpened competition for access to frequencies. At least as important, less developed countries (LDC's) recognized the value of a place in the spectrum and began to organize to assert their claims.

The LCD's arguments for a more equal footing in telecommunications directly parallels those they make in demanding acceptance of a so-called New World Economic Order. The LDC's have used the United Nations as a principal venue for pushing their case for greater access to technology, capital, and resources which they see as unfairly monopolized by industrial nations, particularly by the former colonial Western countries. The parallel in the communications sphere is made explicit by the LDC's calling for a "New World Information Order." The LDC's will have considerable leverage at WARC because of the ITU's one-nation, one-vote formula for decisions. They constitute a sizeable majority in the ITU where membership has grown from less than 100 nations in the time of the 1959 meeting to 154 today.

Under the prevailing rules, ITU lays out sectors of the spectrum for various uses—radio and television broadcasting, satellite communications, maritime radionavigation, for example. The frequencies have then been utilized on a first-come, first-served basis. The advantage, therefore, has been with the nations which were technically most sophisticated and quickest off the mark. The LDC's have made it clear that they want to modify the system. Their first concern is thought to be to gain more scope for their own domestic broadcasting, but there are indications that at least some of the LDC's want to share the higher frequencies used for more sophisticated communications, and, if they can't use them immediately, to gain what, in effect, are "parking" rights.

Unquestionably, the American stake in WARC is very substantial. The potential effects of changes seriously unfavorable to the United States are indicated in a 1977 Senate Foreign Relations Committee staff report which takes a broad look at communications problems in the perspective of international politics. As part of their conclusions, the report's authors suggest what, "At its worst," the New World Information Order could mean for the United States. In the national security sphere this country could lose access to frequencies now relied on for military communications, radar, and missile operations. The present wide use of satellites for both military and civilian purposes—weather, crop, and navigation satellites, for example—could be adversely affected. Space research and other scientific activities such as radio-astronomy are vulnerable in the competition for frequencies (*Science*, 30 June). The economic consequences of changes in the allocation of frequencies could be very great, ranging from higher telephone bills to losses arising from restriction or increased cost of the huge flow of data made possible by the linkage of computers to modern communications systems.

In assessing the issues that will influence the atmosphere of the Geneva WARC, it is impossible to ignore the dispute between the LDC's and Western nations over the operations of international news media. The LDC's have been unhappy about the dominance of Western news organizations in the coverage and dissemination of world news. They feel that to little attention is given to LDC's and that what news is carried tends to be unfavorable and unfair to them. At the last biennial meeting of Unesco in Nairobi in 1976, the LDC's supported a declaration on the mass media which had its origins in the Soviet bloc. The effect of the declaration would be to give governments greater control over news generated and consumed within their own boundaries and more responsibility for the activities of their own journalists.

Implementation of such a declaration would severely restrict press freedom as it is interpreted in the West and was strenuously opposed by the United States and other Western countries. Action on the declaration was diplomatically delayed, but the subject is expected to come up again at the Unesco general meeting scheduled to begin in Paris in late October. And many observers think that LDC's may be disposed to pursue the principles of the mass media declaration through joint action at WARC. A showdown on the issue may be deferred or deflected by the deliberations of a group of "wise men" commissioned by Unesco. Scheduled to report next year, these practical philosophers are expected to give guidance on the mass media issue but in the context of much broader recommendations on how the LDC's can participate most profitably in global communications development for the rest of the century.

For the United States, the odds on a worst case analysis coming true at WARC do not appear to be overwhelming. U.S. officials are split on the likely effects of the mass media issue. Some believe that a majority of the LDC's are primarily interested in broadcasting frequencies in the lower-frequency part of the spectrum and in the development of their basic national communications networks. The United States is still regarded as the principal source of technology and technical assistance, and these officials feel that if the U.S. government demonstrates an understanding of LDC priorities and offers real assistance in achieving them, the LDC's will concentrate on technical rather than political issues at WARC.

At least until recently, there was considerable apprehension on Capitol Hill and in U.S. industry that the government might drift into difficulty at WARC by default. There seemed to be no recognition at the top of the Administration of the importance of international information and communications problems in general or of WARC in particular.

CHANGE IN THE PICTURE

This year, the picture has changed somewhat, in part because of remonstrances from legislators concerned about the lack of U.S. policy on international information issues. Such legislators include Representative Dante B. Fascell (D-Fla.) and Senator Ernest F. Hollings (D-S.C.). Secretary of State Cyrus R. Vance placed responsibility for coordination of international communications matters with Deputy Secretary Warren Christopher, the State Department's number two man. An interagency review of communications policy was called for and White House interest in the matter is indicated by the reputed existence in draft form of a presidential review memorandum on international communications.

As for WARC, itself, Glen Robinson, a University of Virginia law professor, has been named to head the delegation to the conference and a special office has been established at State. Robinson will have the temporary rank of ambassador for the period of the conference.

Actually, while there may have been insouciance on the subject at the top, the government has hardly been totally indifferent to WARC. In fact, literally hundreds of lower-level officials have been beavering away at preparations. One estimate puts the number at more than 600 involved in various aspects of the very complicated preliminaries.

The United States is unusual in its fully developed, dual, public-private communications system. The Federal Communications Commission (FCC) is responsible for formulation of the nonfederal requirements for WARC through consultation with industry and other nongovernment users. The National Telecommunications and Information Administration (NTIA) does the same for federal users. NTIA is also charged with reconciling the two streams of requirements and formulating consistent federal policy. In the United States, about half of the use of frequencies is nonfederal and half federal. Roughly half of the federal use is military. The State Department has the responsibility for international negotiations and is now in the process of forming the delegation that will go to the WARC.

These signs of activity seem to have had the effect of somewhat quieting expressions of alarm about the state of U.S. policy, although the congressional critics have hardly lost interest. The Senate version of the State Department authorization bill contains a section on international communications policy which requires the President by next 20 January to report to Congress on "procedures he has established by which to develop

and maintain a comprehensive United States policy regarding international communications and information issues." And, on the subject of WARC, Hollings is expected to seek a progress report on preparations for the conference before Congress adjourns at a special hearing by the Senate Commerce Committee's communications subcommittee which he chairs. WARC, of course, is still more than a year away, and with so many variables at play, predictions on the outcome must be taken with some skepticism. One interesting question is whether the Soviet Union and the United States will be at odds over specific issues at WARC. The two superpowers are the biggest users of the spectrum and there are reports that the Soviet Union is demonstrating a certain coolness to the idea of a New World Information Order. But, especially in view of the present tensions between the two countries, it is unclear whether a community of interest will lead them to make common cause at WARC.

No informed observer expects the status quo to be unchallenged or unchanged at the 1979 WARC. For a very long time the electromagnetic spectrum has been, so to speak, an American lake. The change in circumstances is summed up by a quote attributed to a Sudanese minister, Ali Shummo, which is cited almost ritually by commentators on WARC. "You (the industrial nations) have 10 percent of the population and 90 percent of the spectrum and we (the LDC's) have 90 percent of the population and 10 percent of the spectrum. We want our share." He did not have to add that at WARC the LDC's will also have the votes.

Mr. SCHMITT. Mr. President, clearly related to the explosion of technology that has made the World Administrative Radio Conference so important to this country is the general issue of how the United States capitalizes on its traditional and very, very critical base of technology with respect to international marketing and the international economy.

There are several aspects of the present policies of the Federal Government going not only to this administration but even to previous administrations that have been working against the expansion and utilization of our technology base with respect to exports of goods and services and more critically at the present time with respect to strengthening the dollar through a reduction in our balance of payments.

The Federal Government's policies have not been conducive to the creation of new technologies that eventually can be applied to products and services for export, and those products and services that could be exported are being stifled by the present policies of the Federal Government with respect to the examination of exports in the light of other foreign policy consideration. It is not this Senator's suggestion that exports should not be examined in the light of foreign policy considerations but that it must be done with a certain degree of commonsense.

Mr. President, I shall ask unanimous consent that two recent editorials dealing with this subject be printed in the RECORD. Prior to their printing I will say the first is from Science magazine, an editorial of August 11, 1978 by Philip H. Abelson, entitled "The Federal Government and Innovation" and I draw my colleagues attention to two paragraphs from that editorial:

A similar level of federal intervention prevails in other industries, and it represents only part of the problem: states and municipalities have added further burdens. The cost of federal regulations, which is passed on to consumers, has been estimated as high as $100 billion a year and it is increasing. The higher cost fosters inflation at home and inability to compete abroad.

The second paragraph of importance reads:

The result of the current climate is that many major companies are concentrating their R & D on improvements in existing processes and products. At the same time, the creation of small high-technology companies has virtually ceased.

The second editorial from Aviation Week of August 7, 1978, written by Robert Holtz, entitled "Carter's Export Muddle" details some of the decisions that have been made recently to either stop or slow down the export of products of American technology in the military area and not only American technology but they have inhibited the sale of arms by other countries when American components are included in those arms.

I quote one paragraph from this editorial prior to its printing, as follows:

It is this naive assumption that if the U.S. stops selling arms abroad peace will envelope the world that screens reality from most of the Carter minions trying to cope with aerospace export problem. They naively suppose that France, Britain, Israel, Russia and the rest of the aerospace producing nations will gladly follow the Carter lead. In fact, the British and French are rushing into every export vacuum created by Carter policies.

As we discussed yesterday on the issue of nuclear waste policy in the Commerce Committee, I think the summary is that if you want to set the rules of the game, Mr. President, you have to play in that game. You cannot be a spectator.

Mr. President, I ask unanimous consent that the articles to which I have referred be printed in the RECORD.

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

THE FEDERAL GOVERNMENT AND INNOVATION

In the recent third annual AAAS R & D Policy Colloquium, "R & D in the Federal Budget," about half the agenda was devoted to university-government relationships, the other half to industrial research and development. Attention to the business sector is timely; the United States has lost its ability to compete in many products involving technology. This contributes to a sinking dollar, inflation, and unemployment.

Speakers at the symposium, including President Carter's Science Adviser, Frank Press, emphasized that a major factor has been a lack of innovations. In the past, new high-technology products were an important source of prestige and of a favorable balance of payments. Innovations also fostered gains in employment and productivity.

For nearly two decades after World War II, the United States was a leader in fostering research and development. Expenditures for R & D rose to 3 percent of the gross national product (GNP). At the same time, Western Europe and Japan were only gradually recovering from the war. But while trading rivals continued a vigorous effort to catch up, the United States ceased to expand its support of R & D. In constant dollars, the level of effort has been static for more than a decade and now represents only 2.2 percent of the GNP. While governments in other countries such as Japan worked closely with industry to foster innovations and exports, the United States adopted a hostile attitude toward business, subjecting it to thousands of costly regulations. For example, in the making of steel, companies must comply with more than 5000 regulations issued by 27 different federal agencies.

A similar level of federal intervention prevails in other industries, and it represents only part of the problem: states and municipalities have added further burdens. The cost of federal regulations, which is passed on to consumers, has been estimated as high as $100 billion a year and it is increasing. The higher cost fosters inflation at home and inability to compete abroad.

One of the effects of creating this vast structure of federal regulations has been an enormous concentration of power in Washington. In contrast, vice-presidents for R & D of major companies tend to be subdued and anxious. One of them told me he devoted 90 percent of his efforts to matters dictated by regulations or anticipated regulations. The time required to proceed from research to the introduction of an innovative product is 10 years or more. In the meantime, who knows what regulations may be imposed?

Other factors discouraging innovation include high interest rates and tax policies. In Japan, companies can write off capital expenditures in 3 to 5 years. Here 10 year or more is common.

The result of the current climate is that many major companies are concentrating their R & D on improvements in existing processes and products. At the same time, the creation of small high-technology companies has virtually ceased.

Frank Press, who is fully aware of the trends in innovation, has brought the matter to the President's attention. In consequence, a major domestic policy review has been launched. The Cabinet-level study will be undertaken by a committee drawn from 15 federal departments, agencies, and offices. The committee will be chaired by Secretary of Commerce Juanita Kreps, with day-to-day coordination by Jordan Baruch. During the study industry, labor, and public interest groups will have an opportunity to make inputs.

The initiative of Press and the good intentions of President Carter are to be applauded. But the committee is loaded with representatives of the regulators. They will be merely acting as humans if they seek to escape blame. Even so, the policy review will surely have constructive consequences as the committee looks at the government's role in inhibiting innovation.

PHILIP H. ABELSON.

[From the Aviation Week and Space Technology, Aug. 7, 1978]

CARTER'S EXPORT MUDDLE

President Jimmy Carter's Administration has managed to create an aerospace export policy that is the most puzzling bureaucratic maze in a city known for this product and is eroding the economic foundations of a major U.S. industry that is still propping up a declining balance of foreign trade. With the touch for which the Carter Administration has become famous, all of this energetic, counterproductive activity has failed to achieve any of the goals its progenitors sought.

The Carter Administration's intervention in the third country sale of Swedish Saab Viggen fighters to India because they contain some U.S. licensed subsystems is the latest example of this self-defeating folly. The U.S. components involve the Pratt & Whitney JT8D engine, which is in widespread commercial service around the world, and the Singer-Kearfott navigation system. The ground for refusing approval of the sale, according to Secretary of State Cyrus Vance, is that introduction of a new weapon would destabilize the India-Pakistan situation.

This reckless logic comes only a few months after the Carter Administration lobbied shamelessly on Capitol Hill for approval to sell the two most advanced fighter systems in the world—General Dynamics F–16 and McDonnell Douglas F–15—to opposing Arab and Israeli factions in the most volatile and war-ridden portion of this planet.

One of the other pious points made by the Carter Administration was that it was going to curtail foreign arms sales to all but the NATO nations and Australia, New Zealand and Japan. In fact, during the past 18 months the Carter Administration has approved far more arms sales outside the NATO nations, Australia, New Zealand and Japan than within them, with most of the arms destined for the Middle East powder keg.

In the meantime, the very real needs of NATO nations are being buried in diplomatic wrangling, with pious platitudes as a substitute for the new military hardware required to counter the enormous Warsaw Pact forces expansion.

The Carter disarmament coterie includes some of the most naive people to operate in the capital city during the 30 years we have observed the scene. One lad fresh from the red clay fields of southern Georgia told an astonished aerospace executive who was trying to discover the substance of Carter arms policy: "We have got to stop the world from going down the tube. If we don't sell arms nobody will have anything to fight with."

It is this naive assumption that if the U.S. stops selling arms abroad peace will envelope the world that screens reality from most of the Carter minions trying to cope with aerospace export problems. They naively suppose that France, Britain, Israel, Russia and the rest of the aerospace producing nations will gladly follow the Carter lead. In fact, the British and French are rushing into every export vacuum created by Carter policies.

The Soviets, who have taken the full measure of the Carter naivete, are stringing him along by endless mumbo-jumbo while they peddle the enormous arms surplus created by the modernization of their own forces to the Middle East, Africa, Asia and South America—wherever trouble-makers are willing to trade political influence for arms. Both British and French aerospace industries recorded all-time peak aerospace exports for 1977 and are heading for even higher totals for 1978.

The U.S. rejection of the Swedish sale to India will not change the military trends in that part of the world one iota. The Indians will simply get what they want from the French, British or Russians. A perfect example of this U.S. futility occurred a few years ago in South America when the State Dept. told the Israelis they could not sell Kfir fighters to Ecuador because they contain the U.S.-licensed General Electric J79 engine. The rationale was to prevent the Ecuadorian military capability from improving despite the Soviet sale of tanks, missiles and swing-wing Sukhoi fighters to their Peruvian neighbor. Ecuador simply bought a supersonic fighter from the French—the Dassault Mirage F1.

This is not the first time the State Dept. has tried fruitlessly to tell the rest of the world how it should run its internal affairs. More than a decade ago, the Kennedy brothers told South American nations they should spend their money on "poverty, not planes" and banned U.S. sales to Latin America. This led to nearly $2 billion in French and British aerospace sales that overflowed heavily into the commercial area and also gave the Soviet Union its opening wedge in Peru.

But the Carter Administration has added another bizarre twist to its export policy maze with the civil rights office of Patt Derian in the State Dept. that now has a veto power over civilian aircraft sales if other nations do not meet Jimmy Carter's standard of civil rights. This has resulted in the veto of ambulance airplanes, trainers and even target drones, when a valid contract already existed. The only result of these civil rights vetoes will be more shifting of business from U.S. to foreign sources.

The result of all of these Carter policy gyrations is a Washington bureaucratic maze that baffles even cynical, veteran players of capital city games and makes it impossible for aerospace industry executives to get a government decision on even the most routine export sales.

What all of these Carter bureaucrats don't realize is that they are eroding an industry that over the past eight years contributed $52 billion in exports for a nation that had a $53-billion trade deficit for the same period. What these Carter bureaucrats also don't realize is that their fumbling and feckless policies are not achieving any of their stated goals but are simply transferring jobs from Wichita, Dallas, Cincinnati, St. Louis and Hartford to Paris, Toulouse, Bordeaux, London, Bristol and Manchester. Far beyond the damage created by the current decisions and bureaucratic morass is the growing feeling in the rest of the world that the U.S. government has made the U.S. aerospace industry an unreliable partner in the international marketplace.

HUMAN ISSUES IN HUMAN RIGHTS

Mr. SCHMITT. Mr. President, on a final matter, I wish the RECORD to include and ask unanimous consent to do so at the conclusion of my remarks an article again from the August 11 Science magazine entited "Human Issues in Human Rights." And I ask unanimous consent that this be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. SCHMITT. This article details the experience of the Committee on Human Rights of the National Academy of Sciences over the last many years.

It will provide, I think, a good perspective on the concern and the uncertainty with which scientists are approaching many of the problems coming under the general category of human rights. But I think it is safe to say, Mr. President, that we should be very, very careful as we approach, say, the problems of human rights in the Soviet Union to realize there are few black and white answers.

For example, communication through science with the Soviet Union has been one of the major windows that the rest of the world, the free world in particular, has been able to see through in order to understand just what was happening with respect to human rights in the Soviet Union.

To suddenly decide, either through individual or Government policy, that we are no longer going to communicate through science would mean we close that window. It does not mean we condone the activities of the Soviet Union. Just the opposite. It means we want to understand those activities in order to be able to condemn them.

There is another point that sometimes is missed in this area of human rights in its relationship to scientific communication, and that is those individuals in the Soviet Union who are known as dissidents very frequently are some of the greatest scientists of that country, and, by contact with the great scientists of this country and other nations around the world, they are given an obvious level of prestige that makes it increasingly difficult for the Soviet Union to violate their human rights and to punish them as commentators on the present state of human rights in the Soviet Union.

So I would encourage, first of all, my science colleagues in this country to obviously follow their conscience, but not to arbitrarily reject communication with their counterparts in the Soviet Union because it is a way in which we understand the problems of our fellow scientists and fellow human beings in that country.

But I would also encourage and urge my Senate colleagues not to rush to prohibit in any way the freedom of choice of scientists to communicate with their colleagues in the Soviet Union or any other nation where human rights are being violated.

It is, Mr. President, a unique and, I think, very important way in which we provide ourselves with an understanding of the problem and, in fact, can help to alleviate the problem through the prestige that we grant our friends and colleagues in these other countries.

EXHIBIT 1

Human Issues in Human Rights

(By Robert W. Kates)

To be active in defense of human rights is to confront human issues both disturbing and difficult. For almost 2 years a committee of the National Academy of Sciences (NAS) has sought to develop a sustained program of human rights activity appropriate to its membership and its tradition of concern for the rights of scientific workers.

THE ACADEMY COMMITTEE

The Committee on Human Rights was chartered by the council of the academy and is composed of seven members of the academy and three liaison members from the National Academy of Engineering and the Institute of Medicine.[1] Exceptional support is given to it by the staff of the Commission on International Relations.[2] The committee received financial support from the academy's endowment funds.

Our activity focuses on the plight of individual scientists, engineers, and medical personnel suffering severe repression. Such cases may originate in the files of Amnesty International, with the initiative of a member of the academy, in a letter from a victim's friend or family, or in the informal reviews that we have undertaken of the fate of scientific workers in different areas.

When a case of severe repression has been identified, we begin a further process of inquiry that always involves consultations with a responsible spokesperson of the country where our colleague resides or is imprisoned and, where possible, with members of human rights organizations and scientific institutions, with a representative of the U.S. embassy in the country involved, and with the victim's family and friends. A great deal of care goes into these inquiries as we try to maintain the same standards of evidence, balance, and openmindedness that characterize academy assessments on scientific matters.

When a clear-cut case has been developed—clear-cut in the sense that there is a strong basis to assume that an individual is, indeed, undergoing severe repression—we formulate a series of requests appropriate to the case and prepare a public statement. The statement and the requests are reviewed by the academy's 12 elected councillors; when approved, sometimes after revision, they are made public. Once this is done, our com-

Footnotes at end of article.

mittee tries to undertake a sustained effort in behalf of the aggrieved individual, combining public remonstrance with appeals to the concerned government, their national academy if such exists, or other scientific institutions and providing moral support to the individual and his or her family.

A major feature of the committee's effort is our correspondent network of some 350 members of the academy who have volunteered to receive communications from the committee and to act upon them. Thus, the efforts of the committee are amplified as correspondents write or cable governmental representatives, offer support to families, and call attention to the plight of individuals within their professional societies, at their workplace, or through their international contacts.

Currently, inquiries and other efforts are being directed in behalf of individuals in 11 countries, and public statements have been issued in behalf of 18 individuals: Federico Alvarez-Rojas, Claudio Santiago Bermann, Gabriela Carabelli, Juan Carlos Gallardo, Antonio Misetich, Eduardo Pasquini, and Elena Sevilla of Argentina; Vladimir Lastuvka and Ales Machacek of Czechoslovakia; José Luis Massera of Uruguay; Sergei A. Kovalev, Yuriy F. Orlov, and Antoliy B. Shcharanskiy of the U.S.S.R.; T. W. Kamil, I. Made Sutayasa, Bursono Wiwoho, and Kamaluddin Singgih of Indonesia; and Ibrahima Ly of Mali.

The last five cases, which we have just formally adopted, can demonstrate some of the committee's process. The Indonesian scientists have each been held incommunicado from immediate families and relatives for long periods of time. They are representative of a much larger number of Indonesians [3] who also are being held, often without trial, without access to legal counsel, and without other opportunity to have their arrest and detention clarified or adjudicated.

T. W. Kamil, about 50 years old, is one of Indonesia's leading linguistic scholars from the University of Jakarta; he studied at the University of Michigan. He was arrested on 30 October 1965 and has been detained since that time. He is reported to be held at Nusakembangan prison.

I. Made Sutayasa, believed to be about 36 years old, was an archeologist employed at the National Research Center of Archeology until 1975 when he was arrested in Jakarta upon his return from a conference of archeologists in Australia. He has not been formally charged or tried; it is believed he is being held on the island of Bali. He is married and has four children and may have been a member of the Indonesian Communist Party before it was banned.

Bursono Wiwobo, about 55 years old, was professor of educational psychology at Gadjah Mada University in Jogja-karta, Java. Professor Wiwobo had been a member of the National Planning Board under the Sukarno government and at the time of his arrest in late 1965 was chairman of the Indonesia Association of Scientists. He is reported to be either in Jogjakarta prison or detained on Buru Island, the location of a permanent resettlement camp for untried political prisoners. He participated in the nationalist movement to gain independence from the Dutch, after which he studied in Prague from 1951 to 1954 where he earned a degree in psychology. He later headed the psychology department of Gadjah Mada University in Jogjakarta and was a founder of the Indonesian Scholars Association. He is reported to be in poor health.

Kamaluddin Singgih, age 47 years, was teaching in the department of mechanical engineering at the Technological Institute in Bandung when detained January 1966. Later that same year he was released to assist in flood control projects—only to be taken into custody again in January 1967. Originally imprisoned in Salmba prison in Jakarta, he is now on Buru Island. Singgih studied physics and engineering at Stuttgart between 1960 and 1965 and was reputed to be sympathetic to the Communist Party.

Our information concerning these Indonesian colleagues is thinner than for most of our cases. Three of them have been in detention for upwards of 12 years and their very isolation makes it difficult to obtain current information about them. Thus we have quietly and privately sought—so far without success—to obtain clarification as to their status from the government of Indonesia.

We know somewhat more about Ibrahima Ly, a Ph.D. in mathematics from Moscow State University and, until his arrest and imprisonment, a mathematics teacher at the Ecole Normale Supérieure in Bamako, Mali. He was arrested in June 1976 along with 14 other persons who were accused of writing a political tract that urged Malians to vote "no" in a referendum called by the Malian government to approve a new constitution. He was subsequently brought to trial in April 1975 under charges of subversion against the government, found guilty, and sentenced to 4 years of imprisonment.

Our list of concerns does not always get longer. The scientific community can share in the satisfaction that Juan Carlos Gallardo of Argentina has been released and is again working in physics in the United States and that Elena Sevilla should follow shortly. And among those cases that were resolved during the course of our inquiries, we note that:

Ismail Mohammed, who spoke out against segregationist policies in South Africa and was detained there in September 1976 and fired from his university post, is now practicing mathematics again at another university.

Grigoriy Chudnovskiy, a gifted young Soviet mathematician, was permitted to leave the U.S.S.R. with his brother, David, who is also a mathematician, and his elderly parents; he is currently in the United States receiving treatment for myasthenia gravis.

Taysir al Arouri, a Palestinian physicist, who was detained for 2 years without charge or trial by the Israeli government, has been released; it is hoped that he will return to his position at Bir Zeit University, teaching physics and mathematics.

Professor "X," an African mathematician, fearful of his life if he returns to his country, has had his visa extended to remain in the United States.

In all of these cases, our inquiries were some of many such efforts and remonstrances from scientific societies and individual scientists. We can all share in the satisfaction of their resolution.

But these are still the exceptions. Four Argentinian physicists (Alvarez-Rojas, Carabelli, Misetich, and Pasquini) are simply reported as "not registered" by the Argentinian government. Massera enters his third year in prison in Uruguay despite his willingness to leave the country and take up an offer of a post in Italy. Kovalev enters his fourth year in prison despite offers from Stanford and Cornell for visiting posts. In Czechoslovakia, the appeal by Machacek has been rejected and Lastuvka's sentence has been reduced by 1 year by the Czechoslovakian Supreme Court. They still remain as the first imprisoned victims of the Charter 77 movement, a Czechoslovakian effort to monitor human rights. Orlov and Shcharanskiy have been summarily tried and found guilty in the U.S.S.R.

As we sought to develop our program in our initial year of activity, we faced three major issues:

Whose human rights?

Which human rights?

How do we act for human rights?

WHOSE HUMAN RIGHTS?

The issue of whose human rights we were concerned with touches on the essence of a basic question that we had to consider: "Are scientists special?" After some months of discussion and reading, the consensus of our committee was negative.

Scientists are not special, neither as victims nor as torturers do we deserve to be singled out. It is true, as the Ziman report [4] states, that science as an activity has certain characteristics—a reverence for truth that leads its practitioners to query and dissent, a process of verification that requires open dissemination and communication, a universality of discourse and goals whose common language and pursuits go beyond national borders—that may be readily seen as threatening to authoritarian regimes or even in conflict with nation-building goals. But the Sierre Chica prison in Argentina is filled not with scientists but with young workers and students. As Philip Handler put it in an interview in *BioScience* [5]):

. . . tortured shoemakers hurt quite as hard as tortured scientists. Protesting only for scientists. Protesting only for scientists doesn't quite fit with my own beliefs about all of this. Scientists happen to be a little bit more visible. The world knows about them. The shoemakers are taken off behind the barn and shot.

If we scientists are not special, though, why limit our human rights activities to our own—to scientists, engineers, and health personnel? Our answer is simply: they are our own. We hope that other groups—trade unions, bar associations, women's groups, and shoemakers everywhere are equally or more active. But we will surely be more effective in identifying victims, in documenting their cases, and in supporting them, if we can appeal to that special quality of collegiality that we share and if we can use for such appeals the established avenues of scientific communication. In so doing, however, we know that in many, if not most cases, the nameless victims of repression have few if any scientists among them, and in some cases, scientists serve with the repressors.

Having chosen to limit our efforts to "our own" we were still left with some issues of definition: how far do we extend the concept of scientist and at what point in a career does an individual become a scientific colleague? Our answer, in keeping with the universality of science, was to seek a similar universality of outreach: not merely to the well-known and well-connected, not only to the ideologically similar, but to all victims in science, engineering, and medicine wherever they may be.

It is understandable that our academy officers have taken the strongest possible position in defense of Sakharov, a foreign associate of the academy; that as academicians who are well known and well connected we know and thus respond to the victims from our own ranks; or even that some of us more readily respond to victims of our own personal ideological persuasion. But it cannot be, and it is not, the position of our committee to limit our efforts to such cases.

Thus we have spent a considerable portion of our collective energy on trying to extend our knowledge of the plight of individuals in the less-known areas of the world and to examine the situation in our own and other countries of similar ideological persuasion. We have done so even at the cost of limiting our efforts in behalf of better-known cases, often to the pique and annoyance of our own members and colleagues.

We are, of course, limited in just how well we extend ourselves. In many parts of the world, science is poorly developed and so are our contacts with those areas. And we surely miss or rationalize away some of the travesties of human rights in our own midst. But it is not for want of trying.

Footnotes at end of article.

WHICH HUMAN RIGHTS?

In considering the second issue—Which human rights?—I urge a reading of the Ziman report.[4] It makes one basic point and makes it well. Beginning in 1945 and up to the present, a major international shift took place in human rights activity. Human rights today are not merely moral rights, they are international legal rights. An internationally accepted code of human rights—economics, social, political, and religious—has been developed. Most nations have not ratified that code, fewer nations implement those rights, and in only one case, the Council of Europe, does an effective international appeals court exist.[6] But almost all nations give lip service to it, and many nations have signed treaties that accept at least a portion of the evolved code. There is an international standard for human rights.

Using this standard is extremely helpful to us in our selection process. We do not have to sit in judgment of our colleagues now more than 12 years in Indonesian prison camps or 13 months in Lefertovo prison. When the Israeli government says that Taysir al Arouri "incited terrorist activities" or Uruguayan officials say that Massera was found guilty of "subversive association" [7] we do not need to make judgments that are clearly beyond our knowledge. It is sufficient to know that Al Arouri has been detained without being tried or charged under so-called Jordanian Administrative Law (which is really the relic of the British Mandate Law and which ironically was used to imprison many pre-independence Israeli patriots). And to know that Massera probably has been tortured and has certainly suffered physical impairment, even though Uruguay has an established tradition of allowing opponents exile and there is a post in Italy for him and his wife (who is also imprisoned).

Thus we draft our requests—an end to torture, rights to trial, to representation, to visitation, to courtroom observers, to receive and send scientific literature, to exile (as opposed to continued detention), to humanitarian release (in case of hardship), and to extension of existing amnesty. All of these are rights implicit in the international code.

In requesting compliance with the international code, we need not underestimate the threats that nations perceive from dissidents: we live in a world where terrorism is a reality and not limited to national liberation or the overthrow of tyranny, where subversion and dissent may threaten all but the strongest and oldest of societies. Nonetheless, the prisons of the world would empty of prisoners of conscience if countries would adhere to the minimal rights of the *Universal Declaration of Human Rights* and its successor documents.

If we take international rights seriously and try to use them effectively to refute the charge of intervention in the internal affairs of other countries, we cannot choose them selectively. We Americans have an ideological bent that selectively equates human rights with certain civil and political rights, ignoring many other rights embodied in those covenants. Those who would dispute our right to speak out raise this issue repeatedly with us. Here are three examples. A member of an American scientific society who was born in Argentina, writes an open letter to the society's president condemning his action to protest the repression of Argentinian colleagues:

You [the President] have called attention to nefarious practices in Argentina. Well, I must tell you that the average citizen there has more freedom in some aspects than we have here. Have you heard . . . that hundreds of thousands of elderly people, and some not so elderly, in certain areas of the United States are locking themselves up and starving because of the fear of street violence. Our American cities are filled with men and women like the elderly couple in New York who committed double suicide recently for fear of going out and being mugged again. Have you . . . written letters to President Carter about this shameful problem . . . [a] problem unknown in Argentina? [8]

The Iranian representative to the World Bank writes:

In spite of some 30 years of debate over this complex issue in the United Nations, American and Western libertarian philosophy still regards "human rights" in a very narrow context: as essentially political, universal and timeless.

But as far as the third world is concerned, they are largely one-sided, passive and abstract. They reflect political rights for the redress of grievances, personal immunity for unlawful or unnecessary search and seizure, habeas corpus privileges, due process of law for incarceration or imposition of fines, the absence of cruel and inhuman punishment, and a host of other individual freedoms of action.

But they are silent about the society's obligation toward the individual; they say little about the right to employment, the right to obtain a meaningful education, the right to enjoy a minimum of life's amenities. These "active" and "positive" sides (that is, society's obligations) are either ignored or considered as secondary in the roster of Western "human rights".[9]

A Soviet legal expert echoes these sentiments:

When they discuss human rights, many Western ideologists emphasize not socioeconomic problems but the freedom of the individual. Without question [these are] an essential element of democracy.

All these are not enough, however, in our view. We believe that society must also guarantee the individual the right to education, to work, and to material security. . . . There are now 17 million unemployed in the industrialized capitalist countries . . . we have no unemployment [in the USSR] since the beginning of the thirties.[10]

I have the impression that many human rights activists respond to these concerns as if they were red herrings to be ignored or a rationalization for repression and not to be credited with serious attention. In my opinion, this would be in error. To justify a sentence for Kovalev or Orlov by the fact that we tolerate a high unemployment rate in the United States or to excuse the thousands of kidnappings in Argentina on the basis of the muggings that occur in the United States would clearly be nonsense. But to ignore the substance of these challenges would be a serious mistake.

The international codification of human rights provides for economic and social rights as well as political rights. To use one of the examples cited: it is indeed shameful that in the richest nation on earth 6 to 7 percent of the work force is almost always out of work, and 30 to 40 percent of black youth seem permanently unemployed. Our most rational goals for unemployment range from 4 to 6 percent; in contrast, not only in socialist countries, but in many Western European countries, a 1 percent rate is considered a national calamity.

Let us welcome a genuine dialogue. As we point out to our Soviet colleagues that their remarkable employment record is not enhanced by denying dissidents the right to work, let us also consider ways in which we in science and technology may work to enhance the right of all to work, to have security in our cities, and to meet basic human needs.

There is another view as to which human rights can be asserted. It is the view of Sir Andrew Huxley and other British scientists within the Royal Society. He distinguishes between defense of the political rights of dissident scientists and the defense of scientific rights in the face of intrusion of the state. He notes:

"The persecutions of the present day are not directed against scientific doctrine or against scientific enquiry as such; they are directed against individual citizens who have had the courage to speak up against oppressive features of the regimes under which they live. Among these brave individuals there are, for example, writers and medical men as well as scientists. The appropriate reaction therefore comes from us not as scientists but as citizens; if we wish to join in some corporate protest, it should be through one whose prime concern is with science. If a scientific body publicly takes a step whose justification is political and not scientific, it will lose the right to claim that it is acting purely in the defense of science on some future occasion when it wishes to speak out against, say, a repetition of the Lysenko affair.[11]

In choosing the clear-cut case of Lysenko and the role of some political dissidents, Sir Andrew has the advantage of posing the extreme cases to support his opinion. Unfortunately, we find it more difficult to grapple with the continuum of repression, to determine just what is scientific and what is political. To cite just two examples:

Some Argentine scientists appear to have been denounced, killed, or imprisoned because they differed on scientific policy with the military or were actively reformist in the governance of their institute or university.

Many Soviet scientists who are clearly political dissidents are punished by manipulating the institutions and even the literature of science: they are denied work, advancement, and degrees, and their works are even excised from the literature. Pressure is brought on their colleagues to acquiesce to or carry out these acts.

Drawing lines in science and human rights is difficult. We presume little righteousness in the way we have drawn ours, but we fail to see the incongruity of a scientific society concerning itself with the human condition of fellow scientists as well as with their scientific doctrine.

HOW DO WE ACT FOR HUMAN RIGHTS?

Having chosen to speak to the internationally agreed-upon human rights of individual scientists, the issue of method still remains. How do we act in behalf of those rights?

Our major effort has been to develop an approach that matches patience with persistence. Our committee began work a year prior to President Carter's initiatives and the academy's human rights activities date back to 1956. But we are sufficiently wise, or cynical, to note how cyclic and fluctuating public and government interest in current issues seem to be. Ours is a nation given to hyperbole; we fear that the crusade for human rights may go the way of the "great society" or the "war against poverty." It is irresponsible for members of human rights groups to raise the hopes of victims for redress and then turn to some other seemingly more current or pressing issue. Thus we have tried to develop a capability for patient, sustained, and persistent inquiry and support.

At the same time we have had to face (and continue to face) various tactical issues. From time to time we have been pressed by academy members and friends toward quite differing views. One member stated his dilemma as follows:

"I applaud Carter's statements on human rights as an aspect of national policy. Will a letter from a lowly academic and civil servant, even though a member of NAS, really add anything to Carter's forceful statements and the NAS Committee declaration? Whatever it does, will it also be at the cost of the cordial working relations, indeed friendships, that I have managed to open up over the

Footnotes at end of article.

last decade with a number of Soviet scientists not to mention the matter of field access? Or worse, will it get my Soviet friends in trouble? It is easy to be for human rights when you're not personally threatened by their loss." [8]

After much thought, this member did write one of the most moving letters I have encountered, expressing to Soviet authorities that it was the very respect and affection he had for their country and for his scientific colleagues that impelled him to appeal in behalf of an imprisoned colleague.

A very different view is expressed by a participant in the exchange program organized by the academy:

Our experience at a meeting in the U.S.S.R. shows that generalized protest is almost useless, but specific threats and promises can accomplish a lot.

My protest is against the Academy's decision to exert no actual pressure on the Soviets. Therefore since the Academy is useless on this issue, individuals and groups of American scientists have to protest against the Academy as well as against Soviet behavior.[9]

In response to this and similar concerns, our position continues to be to hold to the universality principle, to not restrict the channels of scientific communication in the name of trying to maintain and extend them. This is our institutional position and it is my own. But it is not necessarily the position of all individual scientists. Scientific communication is in the last analysis a voluntary act, like so much we do. Increasingly, more and more scientists may withhold their participation in exchanges with individuals or groups they feel are unresponsive or even complicit in repressing colleagues. This has clearly been the response in the wake of the Orlov conviction in the U.S.S.R. His heavy sentence, closed trial, and the apparent treatment of his family and friends dismayed much of the scientific community. Individuals and groups, many with deep personal commitment to scientific exchange with the Soviet Union, canceled or delayed their planned trips, seminars, and meetings.

THE DISTORTIONS OF HUMANITY, NATIONS, AND SCIENCE

How we allow the pain of the victim and the cacophony of protest to enter the quiet and generally well-mannered house of international science is a question that will persist and recur. But lurking in the nether darkness of questions asked but not answered are the most troubling of all issues, those raised by the profound distortions of humanness, nationhood, and science that follow in the wake of repression.

Torture is widespread. According to Amnesty International it occurs in some 60 nations. It is not limited to the Idi Amins or to the secret police of the world.

Our own country was accused by responsible observers of countenancing the use of torture and serious violations of human rights in South Vietnam and of permitting the teaching of highly questionable interrogation techniques in countries receiving assistance in the training of domestic police. Because of the European Covenant on Human Rights, Britain has compensated victims of inhuman and degrading techniques used in Northern Ireland.

It is not clear how much technical skill is needed to employ the electric shock apparatus used in basement cells. And one cannot imagine the professional standards of the doctors who patch up the victims in silence or of the psychiatrists who prescribe "treatment" for the dissidents they label insane. But surely they demonstrate that our scientific ethic is not universal and that it fails us now, as it did when horrors were perpetrated in scientifically run concentration camps.

For scientists to be active in defense of human rights is to learn and relearn what Rabelais knew in 1532: "Science without conscience spells but destruction of the spirit." [12]

FOOTNOTES

[1] Christian Anfinsen, Lipman Bers, Clifford Geertz, Franklin Long, John Ross, and Berta V. Scharrer serve with me from the academy. Daniel Drucker and William Slichter are the liaison members of the National Academy of Engineering, and Adam Yarmolinsky is the liaison member for the Institute of Medicine.

[2] Murray Todd serves as Executive Secretary, assisted by Jay Davenport, Sandra Erb, and Gerson Sher.

[3] Estimated by the Indonesian government to number 29,000, of whom 10,000 were to be released in December 1977 and the remainder by the end of 1978. These estimates are contested by Amnesty International and some Indonesian human rights releases and purported leaders who place the number in excess of 50,000.

[4] Our most valuable reading was the report of a committee chaired by J. Ziman: The Council for Science and Society in collaboration with the British Institute of Human Rights, *Scholarly Freedom and Human Rights* (Rose, London, 1977).

[5] E. M. Leeper, interview with Philip Handler, "Academy shifts emphases to keep up with the times." *BioScience* 27, 244 (April 1977).

[6] For a less optimistic view and excellent review of the status of implementing these rights, see William Korey, "U.N. human rights: Illusion and reality." *Freedom at Issue* 42, 27 (September–October 1977).

[7] Communications to the Committee on Human Rights (1977).

[8] Communication to the Committee on Human Rights, paraphrased slightly to preserve anonymity (1977).

[9] Jahangir Amuzegar, "Rights and wrongs," *New York Times* (29 January 1978), section IV, p. 17.

[10] Interview with Vladimir Kudryavtsev, "Human rights: How they are understood in the U.S.S.R.," *Soviet Life* (July 1977).

[11] Excerpt from an address by Andrew Huxley to the British Association for the Advancement of Science, August 1977. Reprinted in *Chemical and Engineering News* (26 September 1977), p. 5.

[12] François Rabelais, *Gargantua and Pantagruel*, book II, chapter 8 (1532) (Heritage Press, New York, 1942).

[13] I gratefully acknowledge the assistance of M. Berberian, C. Gediman, E. Grohman, and the staff and members of the Committee on Human Rights in the preparation of this article.

Mr. SCHMITT. Mr. President, I yield the floor and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. 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 15 minutes.

THE SHARP DECLINE IN THE DOLLAR

Mr. JAVITS. Mr. President, yesterday's announcement by President Carter that he has requested Secretary of the Treasury Blumenthal and Federal Reserve Board Chairman Miller to recommend to him any future actions he might take to deal with the sharp decline in the dollar and the recent disorders in the foreign exchange markets is an important first step in meeting this very grave problem. Because it is the first public reaction of the administration to a critically escalating problem, it is understandable that at this first indication of the President's awareness of the problem, the value of the dollar on foreign exchanges immediately rose.

But, this immediate strengthening of the dollar should not be overestimated. Unless followed up immediately by concrete action to deal with the causes of the dollar's instability, the dollar will quickly resume its steep decline.

It is critical that we check the fall of the dollar because any continued decline will reinforce the already strong inflationary pressures on the U.S. economy which, in turn, may lead to a sharp recession.

Until yesterday's rally, the dollar had lost since the Bonn summit, only 1 month ago, 14 percent of its value against the Swiss franc, 7 percent of its value against the deutsche mark, and 10 percent of its value against the Japanese yen. This decline occurred despite the fact that the summit should have precipitated a rally behind the dollar.

Many who had looked at these statistics were not overly concerned by this depreciation of the dollar. The conventional wisdom so often repeated—which fortunately now has been questioned by President Carter—was that we should neither do nor say anything that would exacerbate the situation; that the dollar was undervalued and would strengthen when there was some good economic news. We were counseled to wait for a change in the "trends" that would signify a lowering of the U.S. inflation rate or a turnaround in the U.S. balance of trade, both of which were expected within the next 6 months. While we waited for a statistical bailout, which nobody could guarantee, we have found that the continuing fall in the dollar had generated its own downward momentum, which the most optimistic data was not able to turn around in time.

Mr. President, I applaud the President for abandoning this course of inaction, which could only be labeled "the politics of despair." While he has not yet told us what he plans to do, it is evident that we—the President and the Congress—have in our power the ability to meet these problems. Because the American people may well be asked to undertake some sacrifices if the President's words are not followed by concrete action, we must first inform them about the drastic effect of the falling dollar on the United States and world economies.

I am very hopeful that yesterday's announcement may mark the end of the administation's seeming policy of "benign neglect" of the falling dollar first enunciated last year by Secretary of the Treasury Blumenthal—that a falling dollar was beneficial to the U.S. economy by making our exports cheaper abroad.

The fall of the dollar beyond the level dictated by trade flows, cyclical or inflation differentials, is threatening the very existence of the foreign exchange markets at a time when it is necessary that a properly functioning international monetary system be in place.

The costs to the American people as well as to the citizens of the industrialized countries of a continued decline in the dollar are extensive.

The falling dollar contributes to higher inflation in the United States. I believe that recent estimates that, in the last year, the depreciation of the dollar, by increasing the prices of needed raw materials and other products, has contributed one-half to 1 percent to the inflation rate of roughly 6½ to 7 percent, are too low. These estimates, which are based on the standard view that the inflation pass-through of a dollar depreciation amounts to about 10 percent, fail to take into account the price rises on domestically produced goods that occur because of the protection afforded to domestic industries from higher import prices. Recent price increases in the steel, automobile, and color television industries support this contention. If we were to take into account these indirect inflationary pressures we may well find that the ratio is closer to 20 percent and that the falling dollar has actually contributed close to 2 percentage points to inflation.

Nor am I aware of any studies that take into account the indirect costs of the falling dollar, and the Congressional Budget Office should be assigned to undertake such a study and report back to the Congress as quickly as possible.

While the falling dollar adds materially to inflation in the United States, it has a deflationary effect on the economies of our trading partners. This results in widened differentials in the rates of inflation and further pressure on the dollar.

In addition, appreciating currencies put extraordinary political pressure on our trading partners to raise import barriers and subsidize their exports, which will lead to a proliferation of trade wars from which no country can benefit.

Furthermore, these exchange rate uncertainties dampen the international free flow of capital because industrial planners find it difficult to make investment decisions. Without such capital movements, it will become extremely difficult to insure that those countries in balance-of-payments difficulties will receive necessary financing.

In addition to the critical economic costs, the American people should be aware of serious political ramifications associated with the falling dollar. French President Giscard d'Estaing and German Chancellor Schmidt have undertaken plans to create a European currency in order to insulate their currencies from the U.S. dollar. The unity of the Western alliance is threatened by such a separatist monetary move as well as by any parallel actions that the rest of Western Europe might take to restrict and distort trade. The international economy will be strained severely by unilateral solutions that are taken in a spirit almost of exasperation with the seeming lack of U.S. economic leadership.

A falling dollar also will increase pressure on OPEC nations to raise the price of oil in order to protect the value of their primary asset, oil. Moreover, if OPEC were to switch the denomination of the price of oil from dollars to a basket of currencies, we would find ourselves with an even higher oil bill in dollar terms. An increase in the price of oil would have a severe adverse impact on the economic development programs of the developing countries, creating greater pressure on the U.S. Government and the other industrialized countries to provide more foreign aid.

In addition, the commercial banks, which are reaching prudent "exposure" limits for many countries, would be called upon to extend greater private credits to these already hard-pressed countries. The foreign policy ramifications of all these moves are very serious, indeed.

The decline of the dollar has had an immediate adverse impact on U.S. military forces deployed abroad, especially on our approximately 200,000 troops in West Germany and 40,000 servicemen in Japan and Okinawa. The 18 percent fall in the value of the dollar against the mark and the 33 percent drop against the yen in just 1 year have brought a dramatic decline in the purchasing power of the salaries of our servicemen stationed in these countries; and morale, enlistment, and retention have been seriously affected with a substantial—if undetermined—impact on readiness. Programs undertaken by the Department of Defense to offset these real income losses have been inadequate; and the President has so far refused to make use of the authority granted him in section 5943 of title 5 of the United States Code to reimburse fully these servicemen, who are undergoing real hardships as a result of his seeming neglect of the dollar.

Mr. President, I have just described the economic and political consequences to the American people of a continued falling dollar. I am convinced that the foreign exchange markets are incapable of changing their basic direction without a basic change in policy by the United States, the principal country in the international economy. Expressions of concern will not be enough; change in U.S. policy is imperative. With approximately 80 percent of the entire $400 to $500 billion Eurocurrency market accounted for by dollars and 80 percent of all foreign exchange holdings of central banks accounted for by dollars, the U.S. dollar is by far the world's major reserve asset. Accordingly, this places a special responsibility upon the United States to insure that our economic policy is supportive of a strong international economy.

We must enter into a swap arrangement with the other central banks, especially with the German and Swiss central banks, large enough for the purpose, in order to have the means to intervene adequately in the foreign exchange markets, should such intervention be necessary. Admittedly, this can only be a short-term measure; but a quadrupling of the present $25 billion swap network to approximately $100 billion would show our determination in this regard. If associated with a hard-nosed action program to deal with the dollar's decline, the other central bankers should be willing to provide us with enough of their currencies to meet any short-term destabilization in the markets. Without association with such a program, even the largest intervention will not work.

In addition, the Federal Reserve Board should be prepared, if necessary, to raise the Federal funds target to 9 percent as a demonstration of our concern for the international position of the dollar.

While we take these measures to deal with the short-term problem, we must immediately undertake a program to deal with our medium-term problems.

First. We must reduce our trade deficit, cut our oil imports, and deal with inflation.

Second. We must undertake policies today that will insure that our trade deficit will continue to shrink. We must have a real commitment and not just lip service to a vigorous export expansion program in order to insure that U.S. business can take advantage of the opportunities afforded to it by a declining dollar. The President should release right away the report of the National Export Policy Task Force and recommend to the Congress the legislative steps necessary for implementing the program.

Third. We must take steps to improve U.S. productivity—through, for example, increased private and public research and development expenditures and tax cuts specifically aimed at increasing capital formation—in order to insure that our goods can compete in both the United States and foreign markets. Also we must insure that the capacities of American labor and management are fully utilized through the strengthening and expansion of labor-management cooperation committees. Peace between labor and management is essential for the improvement of U.S. productivity and we must avoid a period of heightened tension caused by a rejection of the labor reform bill.

Fourth. We must also begin to deal with our energy problem. With the apparent demise of the energy tax bill, I believe that it is imperative to find other mechanisms to reduce our too heavy reliance on high-cost imported oil.

At least two possibilities exist. The first of these is the establishment of an import quota. The President already has the authority to impose such a quota under the Trade Expansion Act of 1962 and the Energy Policy Conservation Act of 1975. Such a quota would inevitably lead to an increase in the price of oil, but would clearly reduce our consumption. A quota which could initially be set at our current consumption levels would have to be carefully administered to avoid the need for a large bureaucracy and cumbersome allocation procedures. But if it is carefully done, it can even be used to encourage competition among OPEC members for the right to fill a portion of the quota.

The second possibility is phased-in deregulation of the price of domestic crude oil. As the protracted fight over natural gas pricing has revealed, the longer price controls remain in effect, the more difficult it is to change them to meet changed conditions. It may be that now is the

proper time to begin to phase out price controls on domestic crude—as we propose to do on natural gas—in such a manner as to minimize the shock of price increases on our economy. As the price of domestic oil gradually rises to the world price, we should see some further decrease in consumption, and an increase in domestic production.

Fifth. We must also begin to deal directly with inflation. There is no wholesale answer to this problem. We must review very closely the budget in order to reduce the Federal deficit, and we must set our funding priorities.

Sixth. Furthermore, we must look at the consequences of business regulation and the cost to the U.S. economy. We must begin to apply very rigorous cost-benefit analyses to these regulations in order to insure that the costs to our society do not outweigh their benefits.

Seventh. In addition, we should examine seriously the various proposals being presented for using tax penalties to prod business and unions to hold down wage and prices increases (TIP).

In addition to taking these immediate steps to deal with the short- and medium-term aspects of the problem, we must seek to resolve the long-term structural problem facing the world economy if we are finally to deal with the dollar problem. We must develop an international monetary system that insulates the U.S. economy in a system in which 80 percent of the world's reserve assets is denominated in dollars and only 30 percent is needed to finance U.S.-related trade.

In addition to dealing with the "fundamentals" in order to encourage the holding of these extra dollars, we must begin to supplement the reserve role of the dollar with that of the other currencies. The administration should convene a meeting of the world's finance ministers in order to begin serious discussions on a monetary plan that would gradually replace the present exclusive reliance on the dollar as the key reserve asset by a reliance on a combination of reserve assets, which would include the currencies of the major industrialized countries and the SDR. The finance ministers should report back to the heads of state by the end of the year.

While we will be able no longer to continue to meet our international obligations solely with dollars, this new arrangement will make the monetary system more responsive to international financial reality.

Mr. President, it is interesting to note that when I first raised this issue 8 months ago, I was told by senior Treasury officials that there was nothing wrong with the basic structure of the international monetary system that an improvement in the fundamentals could not cure.

Now, however, the Treasury has changed its view. Only last month Under Secretary of the Treasury Solomon testified before the Foreign Relations Subcommittee on Foreign Economic Policy that, and I quote:

> It seems to me that a realistic possibility would be for other currencies or the SDR to assume gradually over time a larger role as an international monetary reserve, supplementing the dollar. In principle, I would not oppose such a development as a natural evolution in the system though the way in which such an evalution would occur is not yet clear, and I would want to evaluate such changes in terms of the objective of a smoothly functioning word monetary system.

I do not believe the United States has an interest in trying to maintain a particular role for the dollar if that does not correspond to the needs of a liberal, efficient system of international trade and investment.

Mr. President, the choice is ours. We can either undertake a program that will keep us in control of the foreign exchange situation or let the cumulative actions of the foreign exchange traders dictate our economic situation. For me, there is no choice. The continued stability of the international monetary system requires that we develop a broad program to deal with the problem of the falling dollar.

To do so, we need the support of the American people, who, if properly informed, will face the needed decisions. If we begin to meet the problem of the falling dollar with the anti-inflationary program I have outlined above, we may well have a period of slower growth, even a mild recession for the next 2 years. If we, however, continue on the present path without budgetary restraints, we will have growth but with increasing rates of inflation. This will eventually force the Federal Reserve to raise interest rates, which could very quickly bring the economy to a screeching halt: a recession, if not a depression. With foreign exchange markets incapable of responding effectively because we failed to deal with the structural problem of the dollar overhang, a recession in the United States could quickly become international.

Nobody wants the latter scenario to materialize. This is why the foreign exchange markets are highly unstable and the foreign exchange traders are nervous. They are looking for direction from the United States. We must understand that there is no virtue to a continuation of this situation. Nobody benefits from this condition, especially the American people. I have presented today what I consider to be an action program which must be implemented in addition to our statements of concern if we are to avoid a serious calamity.

I yield to the Senator from Missouri.

Mr. DANFORTH. Mr. President, I think the Senator from New York has made excellent points, and very timely points, given the President's expression of concern about the falling dollar yesterday.

What is needed is something more than an occasional expression of concern. What is needed is a national policy. I think what the Senator from New York has indicated is that we in the minority in Congress would welcome the creation of a meaningful national policy to deal with the falling dollar, and that we would be most pleased to participate in the formation and execution of such a policy.

The PRESIDING OFFICER (Mr. DECONCINI). The Senator's 15 minutes have expired.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Are we still in the morning hour?

The PRESIDING OFFICER. We are not in the morning hour.

Mr. JAVITS. What is the pending business?

The PRESIDING OFFICER. House Joint Resolution 554, proposing an amendment to the Constitution to provide for representation of the District of Columbia in Congress.

Mr. SCHMITT. Does the Senator from New Mexico have any time remaining?

The PRESIDING OFFICER. The Senator from New Mexico has no time remaining.

Mr. ROBERT C. BYRD. Mr. President, I yielded back my time under the standing order this morning. I ask unanimous consent that I may recover that time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now Mr. President, I yield to the Senator from New York as much time as I have left.

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. ROBERT C. BYRD. I yield 9 minutes to the Senator from New York.

Mr. JAVITS. We will not take that long, Mr. President. I am very grateful. I yield to the Senator from Missouri.

Mr. DANFORTH. It would seem to me at the minimum such a policy should include the following four points: First, a tax program which does more than just offer tax relief to the American people but which provides stimulus for increased productivity. We have had estimates that in the next 8 years there will be a $1 trillion shortfall in capital formation in our country. If that estimate is correct, then a tax policy must be formulated, not just to relieve the effect of increased taxation on the American people, but to provide affirmative stimulus for capital formation and for productivity.

Second, as the Senator from New York mentioned, an energy policy which can be carried out. We have been floundering around now for about a year-and-a-half in search of an energy policy. In my view it is going to be an energy policy, if it will be meaningful and successful, which will encourage production as well as conservation.

Third, we simply have to come to grips with inflation and with the effect that excessive Federal spending is having on inflation. We cannot have a sound economy and we cannot have a healthy dollar in a world economy if we persist in maintaining deficits in the Federal budget of $40 or $50 billion a year.

Finally, as the Senator from New York pointed out, and I think there is too little talk about this, we have to be much more attentive to trade policies. So often when we talk about trade policies, we talk about some fear of foreign imports. I do not think that is the American way. I think our country has always been daring and has always been outgoing, and has always been rigorous and risen to the challenge. Indeed, maintaining foreign markets for centuries was the whole purpose of any foreign policy for

any country. It seems to me that we have something seriously wrong when 85 percent of our exports are accounted for by only 1 percent of our American business companies.

Therefore, in connection with the trade bill which is coming up before us, we will have to fashion a more aggressive trade policy which encourages American business to market our products on the world market.

I think the Senator from New York has made exactly the right points at the right time and I congratulate him.

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

Mr. SCHMITT. Mr. President, I congratulate the Senator from New York on his remarks. I also associate myself with the remarks of the distinguished Senator from Missouri.

I will only add to those discussions three things: One is an absolute emphasis on the question of energy policy. The only way we are ever going to reduce the balance-of-payments deficit caused by energy imports is to produce domestic energy. We will do that in two ways, by an absolute increase in production and an absolute reduction in consumption. We have to do both, and very quickly.

Second, I would add to the discussion on trade by saying that as a consequence of hearings before the Science, Technology and Space Subcommittee, jointly with the International Finance Subcommittee of the Banking Committee, it has become absolutely clear that there is no strategic capacity for trade policy in this country. All the other major trading nations of the world, in one way or another, culturally or through their governments, have developed a strategic trade capacity of some kind where the government policies and business policies at least are compatible, if not coordinated.

I am not suggesting we can adapt to the policies of Japan, West Germany, or any other major trading nation for use in this country. We have a unique culture and a unique tradition with respect to trade. But, nevertheless, we have to look for some mechanism to develop the strategic capacity so that our actions are interrelated, so Treasury is not doing one thing while Commerce is doing something else, and State doing an entirely different thing, with the White House sitting there apparently not understanding what all three are doing or what they should be doing.

That capacity has to exist, along with what the Senator from Missouri has said, to look at the broad integration of policies.

Finally, I think part of the question is the confidence in the dollar. We must establish throughout the world that the United States knows what they are doing economically, in foreign policy, in terms of the military strength of the world. The fall of the dollar is related to confidence, and it is a broad confidence. I am afraid that many of the nations of the world are losing confidence in the United States.

What the Senator from New York is suggesting, if I may put words in his mouth, is to take those steps required in order to increase confidence in the American people as well as the American Government in this world. Foreign policy and economic policy are intimately intertwined in this particular consideration. Again I congratulate the Senator for his remarks.

Mr. JAVITS. I thank both of my colleagues, Mr. President. I would urge any one who has read or heard their remarks, to consider their suggestions and proposals and my suggestions together. I commend my colleagues for having so materially supplemented the ideas which I laid down this morning.

There are three points which emerge from my presentation and this discussion. First, we are in a very serious situation, both nationally and internationally, the repercussions of which can hurt the American people very materially.

Second, we, those of us on this side of the aisle, are ready for action to deal with this problem.

Third, the time for action is now. With the President having demonstrated some awareness of the problem, we in the Congress should follow up by acting now and asking the President to put us in the position where we can act, regarding energy and other critical issues that affect the dollar.

Finally, I would like to point out to both my colleagues that recent trade statistics show our trade imbalances are due in the first instance to large imports of manufactured goods not solely oil. That startling statistic, coupled with the drastic decline in the rate of the increase in our productivity, explains why there is an erosion of confidence by the American people in their own economic system and by the people of the world in our economic system.

Mr. President, our economic system still works. We, as a nation, are still as young and vital as we were. We however must do something quickly about our productivity and economic well-being. If we do not, we will find ourselves in a more dangerous and a less economically capable world.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. JAVITS. I thank the Chair.

COMMITTEE MEETING

Mr. BAYH. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Arms Control, Oceans, and International Environment Subcommittee of the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hold a hearing on the Deep Sea Bed Hard Mineral Resources Act.

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

REPRESENTATION OF THE DISTRICT OF COLUMBIA IN CONGRESS

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of House Joint Resolution 554 which the clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 554) proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress.

The Senate continued with the consideration of the joint resolution.

AMENDMENT NO. 1756

The PRESIDING OFFICER. The pending question is amendment No. 1756. The yeas and nays have been ordered.

Mr. HATCH. Mr. President, I was interested in the amendment in the nature of a substitute offered by the distinguished Senator from Nebraska yesterday (Mr. CURTIS). I think it is a most interesting amendment and very much deserving of consideration by those in attendance here today. I notice that Senator GARN is on the floor and I have some remarks to make about this later. I shall be happy to relinquish the floor so he can speak.

Mr. GARN. I thank my distinguished colleague from Utah.

Mr. President, Senator CURTIS, I believe, certainly in the frame of mind that the American taxpayer is in, has brought up a very valid amendment. I, frankly, would not expect this particular Senate to approve it. I would expect, if the American people were given the opportunity to vote on it—in fact, I not only would expect, I think I know the answer to how they would vote on an amendment that would require the Federal Government to balance the budget. I think it would pass overwhelmingly, at least by as much as proposition 13 did in California.

It is rather interesting that when I was mayor of Salt Lake City, we had a State law. That State law required you to balance your budget, all of the cities and all of the counties and the State government. The penalty was that if you did not, you could be sent to jail. Needless to say, the public officials in Utah, at all levels of government, balanced their budgets every year. They would do what is necessary to achieve that: Cut expenditures, work with the tax revenues to the extent that not only is there a balanced budget but, normally, a surplus, because there is simply no way you can, at the end of a fiscal year, hit it right on the exact amount and balance the budget. Therefore, you are prudent, you are conservative, you are careful, and you make certain that you have at least a small surplus.

That principle works throughout most of this country and, as a result, most cities, counties, and States have not been in trouble.

We could talk a great deal about New York City and their problems because they have not had that kind of restraint placed upon them. I am one who believes that, certainly, the last 30 or 40 years have proved that public officials need restraints placed upon them.

They need constitutional restraints to keep down their appetites for spending the American taxpayers' money to buy votes so they can be returned to public office. That is what we are, essentially, doing with these huge deficits. We are buying out special interest groups, we are buying favors, we are spending the taxpayer's dollar to retain ourselves in public office.

That is why, in my own State, we are

talking about tax limitation proposals. One proposal is to do it legislatively, by law. I favor a constitutional provision. The reason that I do is that a law can simply be changed by majority vote. We have seen that happen here in Congress. We have what we call a debt limit. It is absolutely meaningless. It has not restrained public spending at all, because every year, what comes before us is a request, to be passed by a simple majority in this body and the House of Representatives, that we increase the debt limit so we can continue to fund the operations of the Federal Government.

The temporary debt now is almost as high as the permanent debt. We have a permanent debt limit of $400 billion. We are approaching $800 billion, or nearly $400 billion of temporary debt limit, done a piece at a time, routinely. More important than that, it becomes Christmas-tree every year because our colleagues know that the debt limit must be increased; therefore, we get all kinds of fancy ornaments in the form of amendments attached to it, knowing that they will pass.

So it goes beyond just the increasing of the debt. It goes to the extent of producing bad legislation and bad law, because it is used as a gimmick to pass laws and amendments that otherwise would not have a chance of passing this body. So legislative relief does not work. It is simply a matter of the legislature or the city commission, the city council, the Congress of the United States simply changing the law from what they did the year before.

I do not see any other way, either, at the local levels of government, to have tax limitation, to cut down the deficit of the Federal Government, unless it is placed in the Constitution. As I said, the American people, I am sure, if they had the opportunity to vote, would certainly vote overwhelmingly that we should balance our budget.

When I was a student in college, taking economics, we heard a great deal about the Keynesian theory of economics. This was the so-called wave of the future, that in order to handle the economy of a country, particularly this one, what we needed to do was to have deficits in times of trouble. When the economy was sluggish, rather than rely on the private sector, we should pump dollars into the economy from Government sources, take money away from the people, and bureaucrats would decide how it would be spent.

But we went beyond that and said we should borrow money or print it, because it was not sufficient to take money away from the taxpayers and redistribute it in a way that we felt was best; we had to create artificial money in the times of deficit, because this stimulated the economy. Do not worry about the inflation; we shall take care of that when we have good times and when the economy is thriving and the country is growing and employment is up, we shall have surpluses to offset the deficits.

We are often told that we do practice Keynesian economics. We do not. John Maynard Keynes would be rolling over in his grave if he thought his theory of economics were being practiced by the United States. It simply is not. It has not been in the last 44 years, because almost every year, we have a deficit, regardless of whether the economy is going well or it is not. We have deficits year after year after year.

So we are not practicing Keynesian economics. John Maynard Keynes never thought that we should only practice one side of his equation. I repeat, he talked about surpluses, and we simply do not have them. We do not reduce the debt.

The only difference between the fiscal problems of New York City and the U.S. Government is that we have a printing press and they do not. So we manufacture funny money; then we wonder why the dollar has been reduced to practically nothing in value in comparison to 10 years ago or 20 or 30, and why we have 11.4 percent inflation again this year.

It is rather simple: The Federal Government spends about $60 billion a year more than they take in. In my relatively brief lifetime, we have seen the Federal budget change rather dramatically. In 1932, Franklin Roosevelt ran for President of the United States on an economy platform. He told the people of this country that if he were elected President, he would reduce the Federal budget by 25 percent, from $4 billion a year to $3 billion a year. So a little less than 46 years ago, we ran the whole country—defense, human resources, everything We did—for about $4 billion a year. A man running for President said he thought that was too much and if we elected him, he would reduce that by about 25 percent.

So in less than 46 years we have gone from a $4 billion a year budget to a half-trillion dollar budget—$500 billion.

It is rather interesting that in 1960, just 18 years ago, the Federal budget, to run everything, absolutely everything in this country, was less than $90 billion.

We did not spend $100 billion a year in this country, in 1 fiscal year, until approximately 1962. I believe it was another 7 years, about 1969, we spent the second $100 billion. Another 2 or 3 years and we spent the third $100 billion. Another couple of years, the fourth $100 billion. Now we are approaching a $500 billion budget for fiscal 1979.

We hear some of our budget makers proudly proclaim that maybe the deficit will not be as big as they think it is going to be. Maybe it will not be $60 billion. Maybe only $42 billion.

What a wonderful and marvelous achievement. We may only spend $42 billion more than we take in.

That is more than half what the whole budget was to run the country 18 years ago. Ten times what it cost to run the country 45 years ago.

The interest on the national debt is approaching $50 billion a year, just to pay the interest on what we borrow and what we print.

We could go on and on and on with the fiscal irresponsibilities of many Congresses who continue to follow only half the Keynesian theory, to produce rampant inflation and the billions of dollars that go with inflation, recession, and high unemployment, and the ills of the economy. But we are not willing to face up to that. We have not been since proposition 13.

There is a great deal of rhetoric on both sides of the aisle. Lot of people talk about economy and tax reduction and tax limitation. But it is rather interesting, the difference between the rhetoric and the votes.

We have not had any marked effect on the budget this year—tokenism, at best, 2 percent here and 2 percent there.

It is rather interesting because we are really talking about cuts. All we are talking about is reduction in the increase. It is very much like if our boss tells us he will give a 15-percent pay increase, then someone comes back and says that that is too much, we are going to cut 5 percent out of that, we can only have a 10-percent increase, and there's griping about the pay reduction when, in effect, we have a 10-percent increase.

That is what we are talking about in the Federal budget in all these cuts.

We are not making any cuts at all. We are only making token cuts in the increase, and the overall budget is still growing extremely rapidly.

We toss budget figures around here that are still beyond my comprehension to understand, coming from a city where I was able to run an entire city, police, fire, roads, for $50 million a year. We round off figures in the hundreds of millions here when we deal with the budget, and I am not sure anybody really understands what a billion dollars is.

We toss billions around like the average taxpayer talks about nickels and dimes, quarters in his pocket, or pennies to toss into wishing wells. It does not mean anything.

We hear talk on this floor that this amendment is only $800 million more, only $1½ billion, that is all, it is not very much. Well, I think the American people ought to stop and think about what $1 billion is.

If one had $1 billion the day Jesus Christ was born and decided he did not trust banks or savings and loans, or any other method of investment, so he did not care about interest, just spend the $1 billion, and decided he could live comfortably on $1,000 per day, started spending that, then on that birthday he could spend it 7 days a week, even on Sunday, 365 days a year for the last 1,978 years, and continue to do it for over 700 years into the future. That is how much $1 billion is: $1,000 a day with no interest for approximately 2,800 years.

The wonderful wizards of the Potomac known as the U.S. Congress are going to spend at the rate of a half million dollars a day for approximately 2,800 years, but we are going to do it for you from October 1, 1978, to September 30, 1979, and anywhere from $40 billion to $60 billion of it we will not have, we will borrow it, we will print it, we will further devalue the currency.

In the meantime, with this deficit spending and tax money we take, we will create some more agencies. We will hire some more bureaucrats. HUD needs 1,500 more this year down there.

I would suggest we could can 5,000 of them and HUD would work more efficiently because they would not be stumbling over each other, wondering what to do all day.

Having been a mayor, I have had a lot of experience with HUD in the last 11 years, second only to HEW in their waste and inefficiency and the abnormal number of employees who are not needed.

It is interesting, the President thought we needed 1,500 over at HUD, but he cut the Army by 10,000 men. Do not worry about defense, let us hire a few more ne'er-do-wells at HUD.

So, $1 billion is a lot of money and we are going to spend $500 billion of it next year. We will increase the size of the Federal Government and produce some more rules and regulations. IRS only has about 40,000 pages of regulations.

The cost of regulations at the State, local, and national level now is estimated at $130 billion a year, or $2,000 per family per year for the privilege of being told what to do by our Government.

(Mr. BUMPERS assumed the chair.)

Mr. GARN. We have OSHA telling us we need coathooks on the inside of toilet stall doors. I suppose, it is safety, but I do not understand what hanging a coat up in a toilet stall has to do with safety. It is a convenience.

But we have inspectors running around checking on things like that.

A restaurant in Utah was told they had to move a toilet in the public rest room. The owner said, "Why?" They said, "Too far away from the wall." He said, "So what?" He was told, "Well, somebody could fall off and hurt himself."

So he had to spend $700 to move the toilet.

We have Government people we are paying to take care of wondrous and marvelous great problems of this country like that.

We are producing rules and regulations at an unbelievable rate in the Federal Register without much rhyme, reason, or sense, that have very little to do with clean air, clean water, or anything else.

But, obviously, bureaucrats have to protect themselves and show they have done something at the end of the day, the week, the month, the year.

So they can write rules and regulations that require attorneys to try to understand what they are. I sometimes wonder if this body is not the self-protection society for attorneys. We pass laws that are incomprehensible, regulations that are written that are equally lacking in understanding, so when our attorneys leave the Senate they can get paid fees for interpreting what foolish things we did while we were here.

So we will continue on. We will give lip service to the American taxpayers and talk about economy. All of us will give speeches sounding like BARRY GOLDWATER or Ronald Reagan. We will talk about needed laws, reducing the size of the Federal Government, and reorganization and efficiency and economy, and, rest assured, that is all that will happen.

All we have to do is look at the budgets year after year. Look at the size of Government. Look at the number of employees working for the Federal Government.

Wait and see. We will find that the Senator from Utah is correct. In spite of all the rhetoric, in spite of all the great speeches that will be given around the country during this and the election year next year, we will have a bigger budget. We will have a 10- to 12-percent increase in the budget. It will approach $550 billion, and we will have another deficit. We will have a request that we need another agency and we will spend more money filling up the pages of the CONGRESSIONAL RECORD and all these wonderful publications.

We will decide that this office building out here, which is going to cost $200 million for Senators and more of their staffs, is not sufficient. We will need more office buildings. We will take over more of Washington.

There will be more cities like New York that need help, and it will continue.

When are the American taxpayers going to wake up that they are being conned, that they are being cheated and lied to? They had better go beyond listening to the speeches and start matching voting records with speeches, and hold every Senator and every Representative in this body, in either party, accountable for how they vote, not how they talk.

So it is foolish even to consider legislative relief so far as tax limitation and balancing the budget are concerned. It has not worked for 45 years. I find no reason to think that a few speeches are going to turn it around.

Unless the American people start voting for those in either political party who will vote in Washington as they talk in their home States, who will seriously be willing to face tax limitations at State and local levels and at the Federal level to cut off the voracious appetite for spending, we are not going to see any meaningful change in inflation, in unemployment, in the ups and downs of the business cycle.

I do not expect—I would be very foolish to expect—that this amendment by Senator CURTIS will be agreed to; but I certainly think it would be the first step in controlling the expenditures of this Government, and I certainly intend to vote for it.

Mr. HATCH. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GARN. I yield.

Mr. HATCH. Madam President, I ask unanimous consent that Meredith Preston, of Senator HAYAKAWA's staff, have the privilege of the floor during the debate on this measure.

The PRESIDING OFFICER (Mrs. ALLEN). Without objection, it is so ordered.

Mr. GARN. Madam President, I yield the floor.

Mr. LEAHY. Madam President, I ask unanimous consent that Nancy Morgan, of my staff, have the privilege of the floor during the consideration of this measure.

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

Mr. LEAHY. Madam President, I have come to the floor today to support House Joint Resolution 554 which would bring full voting representation for the citizens of the District one step closer to reality. As the Members know, the House passed this measure several months ago, and Senate passage of it will help initiate the constitutional amendment process to provide full voting representation to the Nation's Capital. Senate passage of this measure would, therefore, turn over to the State legislative bodies across the country this question of full voting representation for the Nation's Capital. As most of the Members know, I fully support this measure, and I compliment the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from Indiana (Mr. BAYH) for their excellent and persistent leadership in this matter. The question of full voting representation for the District of Columbia is a measure that is long overdue, and to continue to deny this basic right to the citizens of the city would be inappropriate and inconsistent with the founding principle of our Nation of "no taxation without representation."

As many of my colleagues in the Senate know, I have had the honor for the last 2 years to serve on the Senate Committee on Appropriations as the chairman of the District of Columbia Subcommittee. In the process of executing my responsibilities in that regard I have had the opportunity to become familiar with the operation of the city, with the sentiments of the elected leaders on this question, but more particularly and more importantly the sentiments of of the citizens and taxpayers of the city on this issue. In a period of reawakened interest in basic human rights, this is a matter that we cannot afford to turn a cold shoulder to.

Madam President, I do not come to the floor today to tell the Members that the city is operated as efficiently as it should be. On the contrary, there are many areas of great inefficiency, and there are problems of continuing and nagging mismanagement in various areas. It is also true that the District of Columbia receives ample support from the Federal Government in the form of Federal grants, which in 1979 are expected to total almost $300 million. In addition to these Federal grants that come to the city from the various Federal agencies, the city receives revenue sharing funds and countercyclical funds. These funds, however, go to the District of Columbia just as they do to other cities and States across the Nation. Because the District of Columbia serves both State and local functions, the city sometimes qualifies for State program assistance, and it sometimes qualifies for city or local government assistance. In the receipt of these grants, the city is treated no differently from other State and local governments across the country. No one would argue that the District should not receive this local government assistance that all other local governments receive across the Nation, and no one should forget that District of Columbia citizens pay $1.4 billion in Federal taxes.

Madam President, let me address the question of the Federal payment to the District of Columbia, because this is a matter that is misunderstood both in the local press, by local city leaders, and by many others from time to time.

It certainly was misunderstood by me prior to the time I became chairman of the subcommittee. Many are fond of

stating that the Federal payment is made to the city in lieu of taxes. This, however, is only one of nine considerations that the current law requires in coming to a determination of what the level of Federal payment should be. To put it briefly, the Federal payment is intended to be based on the net cost to the city that results from the Federal presence.

Madam President, I ask unanimous consent that section 501 of Public Law 93–138, also known as the Home Rule Charter be printed in the RECORD at this point.

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

TITLE V—FEDERAL PAYMENT

DUTIES OF THE MAYOR, COUNCIL, AND FEDERAL OFFICE OF MANAGEMENT AND BUDGET

SEC. 501. (a) It shall be the duty of the Mayor in preparing an annual budget for the government of the District to develop meaningful intercity expenditure and revenue comparisons based on data supplied by the Bureau of the Census, and to identify elements of cost and benefits to the District which result from the unusual role of the District as the Nation's Capital. The results of the studies conducted by the Mayor under this subsection shall be made available to the Council and to the Federal Office of Management and Budget for their use in reviewing and revising the Mayor's request with respect to the level of the appropriation for the annual Federal payment to the District. Such Federal payment should operate to encourage efforts on the part of the government of the District to maintain and increase its level of revenues and to seek such efficiencies and economies in the management of its programs as are possible.

(b) The Mayor, in studying and identifying the costs and benefits to the District brought about by its role as the Nation's Capital, should to the extent, feasible, among other elements, consider—

(1) revenues unobtainable because of the relative lack of taxable commercial and industrial property;

(2) revenues unobtainable because of the relative lack of taxable business income;

(3) potential revenues that would be realized if exemptions from District taxes were eliminated;

(4) net costs, if any, after considering other compensation for tax base deficiencies and direct and indirect taxes paid, of providing services to tax-exempt nonprofit organizations and corporate offices doing business only with the Federal Government;

(5) recurring and nonrecurring costs of unreimbursed services to the Federal Government;

(6) other expenditure requirements placed on the District by the Federal Government which are unique to the District;

(7) benefits of Federal grants-in-aid relative to aid given other States and local governments;

(8) recurring and nonrecurring costs of unreimbursed services rendered the District by the Federal Government; and

(9) relative tax burden on District residents compared to that of residents in other jurisdictions in the Washington, District of Columbia, metropolitan area and in other cities of comparable size.

(c) The Mayor shall submit his request, with respect to the amount of an annual Federal payment, to the Council. The Council shall by act approve, disapprove, or modify the Mayor's request. After the action of the Council, the Mayor shall, by December 1 of each calendar year, in accordance with the provisions in the Budget and Accounting Act, 1921 (31 U.S.C. 2), submit such request to the President for submission to the Congress. Each request regarding an annual Federal payment shall be submitted to the President seven months prior to the beginning of the fiscal year for which such request is made and shall include a request for an annual Federal payment for the next following fiscal year.

Mr. LEAHY. Madam President, as the members will see, the Federal payment is intended to be a matter of equity to compensate the city for the net cost that accrues to the city because of the Federal presence. It is also an amount that is intended to encourage efforts on the part of the city government to maintain and increase its level of revenues and to seek such efficiencies and economies in the management of its programs that are possible. This is the law, and it is a fair law, and the Federal payment in principle is a fair and just concept.

It is my belief, however, that the city often does not very carefully follow the requirements of section 501 of the Home Rule Charter. The city tends to overestimate the costs that arise from the Federal presence and they tend to underestimate the benefits that come to it because of the Federal presence. This is an area that needs to be corrected and we are attempting to do that through the appropriations process. We analyze this question in the Appropriations Subcommittee that I chair, and we attempt to set a Federal payment that is arrived at based on the full intent and the complete text of section 501 of the current law.

Madam President, as I said, there are problems in the District of Columbia. Nobody denies that. Nobody denies that there are problems in all 50 States of this country.

The District of Columbia does receive a very ample contribution of Federal funds to assist in its operation. They total almost 45 percent of its total resources. But these funds are provided to the city in accordance with the requirements and provisions of the various Federal assistance programs, the Home Rule Charter and all the laws and programs that have been passed by Congress.

As I mentioned earlier, the Federal payment is not calculated by the city in a very precise way. This is an area that needs to be reformed, and we are attempting to do that. My concern is that when I hear some of the arguments against D.C. representation these arguments often confuse the whole issue of the Federal payment and the requirements that relate to the Federal payment that are included in the home rule legislation that was passed by Congress.

The city leaders are interested in reform in this area. I think they have worked hard to bring about such reform. We all want to establish a completely fair way to arrive at the correct amount.

This would increase the equity of the situation and at the same time would reduce the controversy surrounding the subject. It would give the city more assurance as to how much would be received in the Federal payment, so that better planning could be done.

But these facts do not lead one to the conclusion that the citizens and taxpayers of the District of Columbia should be denied their fair and just opportunity to be fully represented in the U.S. Congress. To suggest that because problems exist in the management of city programs, to suggest that because the city receives ample Federal support and therefore for those reasons the citizens should not be given full voting representation in Congress, Madam President, is a non sequitur of the greatest magnitude.

Madam President, I urge my colleagues to support this measure and to provide the 705,000 citizens in the District of Columbia the same rights the 483,000 citizens in Vermont now enjoy and the same rights all the other citizens across the Nation also enjoy.

Madam President, if we Vermonters were denied representation in the same way the District of Columbia has been denied representation there would be open revolt in our State. Our right to representation in the Federal Government is a most closely guarded and cherished one. Certainly because of that this Vermonter would do everything possible to give the same rights to the District of Columbia, and I might say in that regard, Madam President, I have heard discussions here in the Chamber, and probably even more troublesome, I have heard discussions out of the Chamber, that giving such representation to the District of Columbia would be at the expense of rural areas; that giving such representation would give too much of a voice to urban America.

Madam President, no one has argued more than I during the past 3½ years about the bias against rural areas. I represent the most rural State in the Union, and I like to think, Madam President, the most beautiful one. I represent that State, well aware of the fact that Federal program after Federal program has an urban bias to it and Federal program after Federal program neglects rural areas.

But, Madam President, that is something that also shows that many of us who come from rural areas have not done our homework in the past in designing these programs, and it is something that can be corrected and changed. But it would be just as bad if those of us from rural areas were to try to inflict the same bias on the District of Columbia and say that we cannot give an urban area the voice it deserves. Many times we in rural areas have let go of the equity we seek by default.

Madam President, I cherish very much the idea of coming from a rural area. It is a way of life that appeals to me, appeals to my wife, and appeals to our three children. The Leahy family has been in Vermont for well over a century.

Except for the period of time that I will serve my State here in the U.S. Senate, I have no desire to change my life in a rural State that I love for an urban area, even a city that I consider one of the most beautiful I have ever visited, the city of Washington, D.C.

But having said that, Madam President, I could not stand here and in good conscience oppose representation for the city of Washington, D.C. because those 705,000 citizens, as I said before, deserve

that representation the same way the 483,000 citizens in Vermont deserve representation.

At a time when so many of us can worry and worry justly that the Federal Government has gotten out of control in the sense that it sometimes seems that we have lost the ability to have real input and we have lost the representative form of government. At such a time let us not hold up for the country and for the world a marked example where we remove such representation from the people who make up the best known city in the country and one of the best known cities in the world. Let us not give any shrift whatsoever to an argument that representation for the District of Columbia is done at the expense of rural areas and is done somehow as an added bonus to urban areas.

Madam President, as a member of the Appropriations Committee, as a member of the Agriculture Committee, or whatever other committees I might be assigned to during the time I am in the Senate, I will continue to fight for rural areas. I will continue to join with other Senators in doing that. But I point out that some of the times that I have been most successful in aiding rural areas are those times when I have been joined by Senators representing some of the most urban areas in this country and time and time again that has happened.

And if any of us from rural areas think that we benefit by neglecting urban areas or by allowing them to be neglected we are shortsighted in the extreme.

But I do not think that is the feeling of the people in this country. I know it is not the feeling of the people in Vermont.

Madam President, I just note some of the charts we have here in the Chamber of the Senate this morning, one entitled "Full Voting Representation in Congress for the District of Columbia," and it shows the number of people here. It shows those States in descending order with less people than the District of Columbia, and they are South Dakota, North Dakota, Nevada, Delaware, my own State of Vermont, Alaska, and Wyoming. It shows the list of Federal taxes paid and shows the taxes the District of Columbia pays, and then it shows those States that pay less taxes; these States are Maine, New Hampshire, Alaska, Nevada, Idaho, Delaware, Montana, North Dakota, South Dakota, Wyoming, and my own State of Vermont.

And it shows the people killed in the Vietnam war, and that is a sad and tragic blot in our history, and after you take the number of people from the District of Columbia killed in that war, a city they had no vote, no vote whatsoever in deciding whether we would continue down the sorry and misguided path you have New Hampshire, Idaho, Rhode Island, North Dakota, South Dakota, Nevada, Delaware, Wyoming, Vermont, and Alaska all States that lost fewer of their sons in the Vietnam war than did the District of Columbia.

I remember hearing Senator KENNEDY in the Chamber here yesterday speak of a letter sent to Senator EAGLETON, of Missouri, from a mother in the District of Columbia who lost one son in Vietnam and was concerned about losing another one, speaking of the compounding of the tragedy because she had no place she could turn to to even express her voice in Congress of how she felt about that war.

This is the same on issue after issue. One-and-a-half times the number people of my State who live here in the District of Columbia do not have representation that each Vermonter enjoys, and rightly enjoys.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

TRIBUTE TO THE NEW EXPLORERS

Mr. DOMENICI. Madam President, I ask unanimous consent that I be permitted to introduce a resolution regarding three New Mexicans who have completed the voyage in a balloon across the Atlantic.

I ask unanimous consent that the resolution be read and be considered immediately.

Mr. LEAHY. Madam President, reserving the right to object, and I will not object, because I share the pride I know my colleague from New Mexico shares, but I wonder if the unanimous-consent request could be enlarged to state that following the Senator from New Mexico's action on this matter that the floor be yielded back to me?

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

The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 540) of tribute to the new explorers submitted by Mr. DOMENICI for himself and Mr. Schmitt.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senator from New Mexico.

Mr. DOMENICI. Madam President, I first want to say I appreciate the Senator from Vermont yielding for this purpose, and I want to indicate for the record that this matter has been cleared by the leadership on both sides.

Madam President, obviously the feat by three New Mexicans causes great joy and pride among many Americans, but from my standpoint, obviously since they are from my State, it is with an exceptional sense of joy that I submit this resolution, and with great pride.

If that were all, and if they were just from my State, that would be one thing. But it happens that all three are very personal friends of mine. I have known them for many years. In fact, one of them, Mr. Anderson, a mining man from New Mexico, no longer than 10 days ago or 12 days, appeared before a Senate committee here testifying on issues of import to the mining industry of the United States.

One of the other gentlemen, Mr. Ben Abruzzo, has been my friend for years. In talking to the two of them in the past 3 weeks I knew they were going to accomplish this feat because if spirit and determination and an absolute assurance that they knew how to do it and would do it meant anything they were filled with that kind of enthusiasm and commitment.

The resolution speaks for itself. I am sure that the U.S. Senate shares the great pride of their families, of the great State of New Mexico, in this feat. What I am asking is that we recognize in this resolution the significance of this feat by humans, by these three men, and that we resolve "that the Senate of the United States in Congress assembled offers personal and singular tribute to Mr. Anderson, Mr. Newman, and Mr. Abruzzo for continuing the American tradition of being the Nation of New Explorers of New Frontiers."

Madam President, I move the passage of the pending resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 540), together with its preamble, is as follows:

S. RES. 540

Resolution of tribute to the new explorers.

Whereas, we speak in the singular of the Universe, the Earth, and the distance between great Continents, but in the plural when in reference to heroes and heroic events; and

Whereas, this day a very singular act of courage by three Americans succeeded where heroic men have lost their lives in 17 previous similar attempts at being the first human beings to cross the Atlantic in a balloon filled with naught but warm air; and

Whereas, these men, these Americans—Maxie Anderson, Larry Newman and Ben Abruzzo of Albuquerque, New Mexico—have accomplished this feat no less daring nor historic than other great adventurers of history; and

Whereas, these three New Mexicans have set records for most hours aloft in an helium balloon and number of miles traversed, in their 112-foot tall "Double Eagle II;" and

Whereas, crossing this great span of water from West to East demanded the same immense courage, indomitable fortitude, and breadth of spirit as heroes of earlier centuries, now, therefore, be it

Resolved, that the Senate of the United States in Congress assembled offers personal and singular tribute to Mr. Anderson, Mr. Newman, and Mr. Abruzzo for continuing the American tradition of being the Nation of New Explorers of New Frontiers.

SEC. 2. The Secretary of the Senate is hereby directed to transmit copies of this resolution to Mr. Anderson, Mr. Newman, and Mr. Abruzzo.

Mr. DOMENICI. I thank both Senators for yielding, and I am most appreciative of this opportunity. I yield the floor.

Mr. LEAHY. I thank the Chair.

The Senator from New Mexico has every reason to be proud of the achievement of his constituents. I read the news myself with a great deal of excitement.

A weekend ago in Vermont I had a chance to go up in a hot air balloon, which brought about two things: One, the normal comments made about any Member of the U.S. Senate going up in a hot air balloon, and I do not have to repeat all of them, except that it was the pilot who commented that he was not

concerned about running out of fuel; and the other part, of course, was that I was the object of enormous envy by our three children.

But I will say to my very good friend from New Mexico, that just that short ride was something that could entice me to go back at any opportunity. But then, just again from that short ride, realizing the logistics of moving over a relatively small area, and what is involved in that, and to see the achievement made by these people, just boggles the mind.

People have tried to accomplish that feat for years, and years, and years. Most recently, just about 2 weeks ago, two English balloonists came within 130, 140 miles of doing it. I just think it is a matter of enormous pride to all of us, and I am delighted the Senator introduced this resolution.

I think the resolution and the feeling we all have here is probably one of the few times that we can safely stand here on the floor of the Senate and say we express with unanimity the feelings of everybody in the country. I think they are greatly deserving of that.

Mr. DOMENICI. I thank the Senator.

Mr. GARN. Madam President, will the Senator yield for just a moment? I express to my distinguished colleague from New Mexico the pride in this achievement, and I share the comments of both Senators. I cannot help but express publicly what I said to the Senator from New Mexico in private, that the only trouble I have with it is my disappointment in not being one of them. As the Senator knows, I have spent some 10,000 hours of my life flying airplanes. I have to live with my junior colleague who walked on the Moon, and that always disturbed me. All my life in aviation, all my aviation career, I have never been fortunate enough to be in one of those things. So I commend them. I am pleased, and I am just jealous that I was not with them.

I thank the Senator from Vermont.

Mr. DOMENICI. I thank the Senator from Utah. I just mentioned that two of our honorees, as most Americans know, Mr. Abruzzo and Mr. Anderson, tried this some few months ago. They did not quite make it. Mr. Abruzzo came down quite injured. He was crippled for a long time. But as soon as he got well enough, they ventured again, and they added a third gentleman whom we are honoring, Mr. Newman, who happens to be a commercial airline pilot, who joined the twosome, and I told my good friend from Utah, knowing of his pilot prowess, that had they known about his expertise they might have asked him to go along, and he would not have to be here on the floor expressing that regret. I am sorry I did not tell them about the Senator. He might have been with them, I say to my good friend from Utah.

I thank both Senators for their kind comments.

Mr. LEAHY. Madam President, I noticed in the paper that they were expressing great joy as balloonists when they saw the coast of Ireland. My father would agree with them very much, and I am sure he will when I talk to him today, that everybody should express great joy when they see the coast of Ireland.

As the Senator from New Mexico knows, my mother would feel that the joy should be reserved until they get to Italy. But the Senator from New Mexico feels the same way, and we are all delighted that they made the trip and made it safely. It is a great accomplishment.

Mr. DOMENICI. We all know their goal. Their goal is to reach the same place Lindbergh landed, and that is why we do not know precisely the time they will land. For them to want to go on just indicates the kind of great spirit they have, and it is evidenced in this resolution that the Senate has agreed to, paying them homage as being really people of the American tradition of having great courage, determination and commitment, which is sort of symbolic of our Nation of explorers and doers. I thank both the Senators for their comments.

Mr. LEAHY. I thank the Senator.

REPRESENTATION OF THE DISTRICT OF COLUMBIA IN CONGRESS

The Senate continued with the consideration of House Joint Resolution 554.

Mr. LEAHY. Mr. President, I will be brief in my further comments about the representation of the District of Columbia.

I went to law school in Washington, D.C.; graduated from here in 1964, and I wanted to go to law school in the District because it was Washington.

I first visited the District as a young person with my mother, my father, and my sister, and I was enormously impressed, as I believe all visitors are, with our Nation's Capital.

I also thought how nice it would be to spend part of the year in Washington and part of the year back in Vermont. Ten years later, I was fortunate enough to come back here as a Member of the Senate, where I could do that. I must admit that I was not aware at the time that we would have as limited an amount of time in Vermont as we have; the weekly visits back home are all too short.

But I have always maintained very much of an interest in this city, and while I had not asked to be made chairman of the Appropriations Subcommittee for the District of Columbia—in fact, there was at least one Member of the Senate who suggested I became chairman because I was foolish enough to show up 5 minutes late for the organizational meeting of the Appropriations Committee a couple of years ago—I have enjoyed the work as chairman of that subcommittee, and I have had a chance to learn far more about the city than I ever would have otherwise. I have walked around the city, talked with people, and spent just about every free moment in this area that I could in going around the city.

I am well aware of the historical factors in the development of the Federal City. I am well aware of the thinking that went into setting up the Federal City 200 years ago. But anybody who can look at those historical antecedents and feel that changes have not occurred is just not facing reality. Madam President.

Changes have occurred, and whatever reason there were to deny representation to the citizens of this beautiful and proud city 200 years ago, I suggest those reason no longer exist.

So, Madam President, I feel very strongly that we now have a situation which, while it started out historically correct—I have no problem with the historical reasoning for the lack of representation—if it continues it involves not a question of maintaining history, but a question of creating and maintaining an injustice, and doing a serious wrong to the people of a great city.

Mr. BAYH. Madam President, will the Senator yield?

Mr. LEAHY. Certainly. In fact, I yield the floor to the Senator from Indiana.

Mr. BAYH. I would just like to make an observation, inasmuch as our distinguished colleague and good friend from Vermont is addressing himself to this question.

I think it is important for those who might read this RECORD to understand the significance of the support of the distinguished Senator from Vermont. He sits in a very critical position as the chairman of the District of Columbia Appropriations Subcommittee. Having had the opportunity to fill that post a short time back in my early period of servitude on the Senate Appropriations Committee, I became very much aware of how familiar one becomes with the nuances of the District Government, and I think it certainly speaks well of the importance of this issue and, indeed, of the Senator from Vermont, that he is lending his support to it, and I applaud him for that.

I listened very carefully to his reasoning, and certainly he correctly pointed out that if one looks at what has happened historically since the Constitution was written, the circumstances that were considered by our Founding Fathers as far as size is concerned, the size of the District of Columbia have changed—in fact, the security question is no longer a question.—I certainly salute him for throwing his support to this measure, and as one who has had an inside look, I think that support will mean as much if not more than that of any other Senator, and I am very grateful for it.

Mr. LEAHY. Madam President, I thank the distinguished Senator from Indiana very much. As I stated earlier in my statement, the Senator from Indiana has shown long and effective leadership on this issue, long before I was even able to be involved as a Member of the Senate, and his critical chairmanship on the Judiciary Subcommittee on the Constitution and its work in this area, I think, is one of the important reasons why we are able to have this matter before us now.

In fact, I feel sort of like a caboose being led by a train of people like the Senator from Indiana. I must admit that the more involved I have been in my own chairmanship of the appropriations subcommittee, the more convinced I have become of the position that the Senator from Indiana has long espoused.

Mr. BAYH. Madam President, will the Senator permit me to address one question to him?

Mr. LEAHY. Yes.

Mr. BAYH. And will he give me a lit-

tle time to, perhaps, postulate a bit before asking the question?

Mr. LEAHY. Absolutely.

Mr. BAYH. One of the questions that has been raised about this issue is, does this indeed establish a precedent for other American cities to seek to become "city states"?

In my remarks yesterday, I tried to address myself to the question of three levels of Government, the local, State, and National Government, and to deal with the ways in which those separate levels of government have an impact on the lives of our citizens.

I further tried to stress the importance of having an opportunity for the citizens to be represented at those various levels, and to have an impact as their officials were making decisions that would influence their lives.

The Senator is very much aware of what is happening in the District. He knows of the local government decisions that are made, that impact on the lives of the citizens.

Mr. LEAHY. Yes.

Mr. BAYH. And we know of the local elections. What we are after here, it seems to me, is to make certain that at the Federal level those decisions that are being made that affect the lives of U.S. citizens who happen to live in the Federal city, that the citizens who are affected have a voice in determining the representatives who make those decisions.

Has the Senator from Vermont found any evidence, in his very close experience with what is happening in the District, that there is a move to make the District a State, that indeed that level of government is what we are talking about? Is it not fair to say we are talking about how fully citizens of the District are represented in the decisionmaking process at the Federal level, and there is really no effort to try to create a precedent where other people, who are already represented at the Federal level, will have a chance to take the same course?

Mr. LEAHY. As to the latter point, I feel that the people of the District of Columbia want to know that they have a voice in their own representation in the Federal Government, in Congress, and not be faced with the situation they have been faced with, really, since the beginning of the Nation. This situation is having a group of us, whether it is I or our distinguished colleague from Indiana or anyone else who has been involved in the various District of Columbia committees and subcommittees of Congress—in effect, as surrogate representatives on a part-time basis, almost as an added chore to our own constituent responsibilities. Rather than having us as their representatives, they should have the representation that they truly and justly and honestly deserve.

That is what it is coming to.

We are not looking for the 51st State. We are looking for the representation of the Federal city with its population. The population, as I stated before, is 1½ times that of my own State. They do deserve representation.

Mr. BAYH. I appreciate very much the comments of my distinguished colleague from Vermont.

Mr. GARN. Will the Senator yield?

Mr. LEAHY. I yield.

Mr. GARN. I ask unanimous consent that Karen Steidl of Senator YOUNG's staff be granted the privileges of the floor during the consideration of the pending joint resolution.

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

Mr. GARN. May I compliment the Senator from Vermont on his tenure with the District of Columbia Appropriations Subcommittee. As a former mayor, I was assigned to the District of Columbia Committee immediately upon arriving in the Senate, when Senator LEAHY and I arrived in the Senate in 1974. That committee was done away with, as everyone knows, after 2 years, when it was merged into another committee.

I did have some insight into District problems after working rather intimately for a 2-year period with the District of Columbia budget and authorization and appropriation bills for the District.

The Senator from Vermont has done an excellent job in trying to solve many of the problems of the District, such as working on the convention center, and I have backed his efforts.

I would also like to say I agree completely with what he has said today, about the unfairness of not having representation in the District.

I do think the times have changed—I do not think there is any doubt about that—from what was conceived 200 years ago. We do live in a different time, and it is not fair for the people living in the District of Columbia not to be able to vote for Senators and Congressmen and have voting representation in the Congress.

But the reason that I oppose this particular constitutional amendment to give the District two Senators and two Congressmen is that I think we go from no representation or underrepresentation to vast overrepresentation.

The Senator eloquently talked about the differences of some of the rural States. My State is considerably larger than his but certainly still a relatively small, rural State. All of us who represent small States, even those of us in Rhode Island or Delaware who have small States, represent a variety of interests, in Vermont, Delaware, or Utah. There are cities, some relatively large, a lot of very small ones, a lot of rural area, a lot of farmers, a lot of land problems, a lot of very diverse and different interests.

Washington, D.C., is simply a city dealing purely with urban problems, and some very difficult ones, more difficult than a lot of other cities because of the presence of the Federal Government. So it is unique among cities.

I was president-elect of the National League of Cities 4 years ago. I knew most of the mayors of all the major cities rather intimately, and knew of their problems.

The District of Columbia is just a city without all of the divergent problems in a State, which we as Senators face, in a State regardless of geographical size or population. Certainly New York City is not like Washington, either, and they have 8 million people.

I do not think it sets any precedent, necessarily, as Senator BAYH was talking about, but the effort to give the District of Columbia representation by allowing them two Senators and two Congressmen, or whatever the population allows, surprises me.

Certainly, though it would set no precedent, New York or Chicago, any of the bigger cities, would be vastly underrepresented. And they have some difficult problems. They are represented through their two Senators. I agree with the unfairness and everything that has been expressed by the proponents of this joint resolution, except the method by which we achieve that representation.

It seems to me that the way to solve the problem—and part of the District was returned to Virginia—is to return the residents to the State of Maryland and then they would certainly have representation the same as residents of any other State. They would undoubtedly have Congressmen. The District would probably be divided up into a couple of districts. They would have their own Congressmen. They would have representation fairly and equitably through their Senators in the U.S. Senate like any other citizen who lives in a city.

New York City, with 8 million people, I am sure feels they are adequately represented by Senator MOYNIHAN and Senator JAVITS.

I am sure the citizens of Chicago are pleased with Senator PERCY and Senator STEVENSON. They do not have any problem with that.

Other major cities around the country have no problem.

I very sincerely have difficulty understanding what is the real problem, what is absolutely unfair. I am not sure I understand the historical precedents for denying them voting rights in the Federal city. Why we want to take this method, to the exclusion of all other cities in the country, dozens and dozens of which are as big or bigger than Washington, and allow just them to have representation makes no logic or sense to me at all.

I would very avidly support any proposals to help the citizens. The citizens are what we are talking about, and their right to vote, not a city. The District hardly needs representation as the Federal Government dominates most of it. All 100 of us are involved in the appropriation process and other matters for the District, too much involved in my opinion, giving too much direction in the city. Nevertheless, why this method? I have not been given a satisfactory answer to that by anyone.

The proponents talk all around the issue but in my opinion we have not adequately come up with why we should go with totally unfair no representation to vast overrepresentation for one city that is dominated by the Federal Government and unique among all other cities in this country.

It seems to me that the citizens of New York, Chicago, Philadelphia, and other

large cities, would be rather irritated with this proposal.

Included in the arguments we have heard is population. If there is an argument for cities with a population of 705,000, does New York City have an argument with a population of 8 million? They could ask, "Why does Utah have two Senators with their population?"

If that argument does hold, then we would be setting a precedent.

This Senator has no problem with the right to representation by the citizens of the District of Columbia. I think it is fair, justified, and I think it should be granted. But I am totally opposed for the reasons I have stated to singling out a city that does not have the statewide problems, the diversity of problems, and giving them full representation as a separate entity when returning citizens to the State of Maryland or Virginia and allowing them to vote, as residents of any other city of this country have the opportunities to do, would be ultimately more fair. We ought to proceed with that.

Mr. BUMPERS. Madam President, I should like to make a few remarks regarding the Curtis amendment, which, as I understand it, is the pending business. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BUMPERS. Madam President, I originally was a cosponsor of the resolution which is now the Curtis amendment. I cosponsored it when he offered it as a resolution in the Senate because I think it is a matter that needs to be continually debated by Congress, but I have problems with it as an amendment on this measure.

Of course, there are two or three things in the resolution that I object to, and I might say that I offered my own resolution, back on January 10, 1977, which is Senate Joint Resolution 2, to accomplish a balanced budget.

There are some people who just do not think a balanced budget is really relevant to the times. Then there are some, like myself, who feel that there is not anything much more relevant. But I cannot support the Curtis amendment, No. 1 because it wipes out the constitutional amendment which is the pending business; namely, representation for the District of Columbia.

I support representation for the District and I would not want to support an amendment which was irrelevant to that amendment and substituted another one in its place that, as I say, was totally irrelevant.

No. 2, I do not believe Congress has ever attached another constitutional amendment to a constitutional amendment, and I think it is a bad precedent. I think the Senate ought to stand on its feet and either accept or reject the constitutional amendment that has been proposed.

Mr. SCOTT. Will the Senator yield?

Mr. BUMPERS. If the Senator will wait just a few moments, I shall be happy to yield.

Mr. SCOTT. I just wanted briefly to remark, if the Senator would yield, that he would exclude the first 10 amendments of the Constitution.

Mr. BUMPERS. I am not sure what the Senator means by excluding.

Mr. SCOTT. I mean the first 10 amendments were submitted together.

Mr. BUMPERS. I am not talking about collective submission, I am talking about offering amendments as a substitute for another amendment. Here we have an amendment which is the pending business, to give the District of Columbia representation, and the Curtis amendment would completely obliterate that and substitute a constitutional amendment that would require the Congress to live within a balanced budget. They are not related. Each one of those things ought to be considered separately and fully debated.

I personally support representation for the District and I certainly support the Senate's adopting this resolution and sending it to the States for ratification. Whether 38 States are going to ratify it or not is another matter. That is their prerogative. But I do not think there is a precedent where we have been debating one amendment and then substituted another one. And I do not think there have been many precedents, incidentally, where we amend constitutional amendments very significantly.

Another objection I have to the Curtis amendment is that it imposes a surtax. It says any time Congress decides to spend more money than it takes in, a surtax will immediately become operative. I have steadfastly maintained, and I feel comfortable in the position, that the American people are, indeed, upset, but they are not nearly so upset about the taxes they are paying as they are about the way their money is being spent.

I have some considerable concern about the tax bill that is going to be coming over here from the House: No. 1, because I do not think it is tax reform, based on what I have seen of it; and No. 2, because I do not think we ought to be considering any significant tax cuts until we do reduce spending and get the revenues into the Treasury and our expenditures in balance.

The other thing about the Curtis amendment that I find objectionable is that only in case of a grave national emergency, so declared by 75 percent of both Houses, could Congress spend more than it takes in without the surtax becoming operative. When I was Governor of my State, we had a strange rule down there that, in order to pass an income tax, it takes three-fourths of both Houses, but if you want to pass a sales tax, it only require a simple majority. In 1971, my first year in office, I decided that our income tax was antiquated and needed to be updated and needed to be reformed. I know what it is like to try to get 75 percent of anybody, any group, to agree on anything. I think that you could find this country stalemated by such a requirement.

My own proposal would be to require that a three-fifths majority of Congress declare a national economic emergency before we could exceed revenues, before expenditures could be appropriated to exceed revenues, unless a state of war exists. It occurs to me that those are reasonable approaches to this problem.

Finally, Madam President, the point I want to make is that I just spoke to the Senator from Maine (Mr. MUSKIE) yesterday afternoon. As you know, he is chairman of the Budget Committee. He is a diligent, tireless worker in that Budget Committee, and guards this floor assiduously to make certain that appropriations in here do not exceed that budget resolution. I do not know whether the Congressional Budget Act of 1974 is ever going to work or not, but I have voted to sustain almost every point of order that the Senator from Maine has raised about a bill here violating that act—not because I necessarily agreed with it, not because I would not like to see money spent for a particular project, but because I feel a strong obligation to support that act and try to bring some discipline to this body in our voting of expenditures.

He gave me some very happy news yesterday. That was simply this: The President had estimated that this year's budget deficit, based on his request for money and based on the Treasury Department's projection of revenues, was $60 billion, a little over $60 billion. As of right now, the Budget Committee's projection is that the deficit will be $18 billion less than that, or $42 billion, and that takes into account, I believe, a $15 to $20 billion tax cut.

I personally think if you went to the American people on television tonight and said, "Would you like to see the $42 billion deficit cut to $22 billion and not take a tax cut," the overwhelming majority of people in this country would say, "I will continue to pay the taxes I am paying now if you can do that and if you will give me some assurance that the following year and the following year, you are going to balance the budget."

There is not any more legitimate debate that can come before this body than fiscal responsibility and balancing the budget. The Senator from Georgia (Mr. TALMADGE), who sits here, has been here much longer than I have and I know that he agrees with that statement. I know he has made speeches about it, just as I have and a lot of other people in this body have. I personally see a little light at the end of the tunnel right now for the first time since I have been in Congress.

Madam President, the President's popularity is at an all-time low. He has done a lot of things that I personally consider to be eminently correct. I agreed with him on the B–1 bomber, I agreed with him on plane sales to Egypt and Saudi Arabia, I agreed with him on the Panama Canal treaties, I agreed with him on the social security tax increases. I have agreed with him on a lot of things. He did those things, and I thought they were right, but, unfortunately, they are very unpopular across the country.

But I shall tell you something else, Madam President: The reason for the President's unpopularity right now is not

necessarily because of those things and others that I have just mentioned. It is because they are felt to be irrelevant to the lives of the people in this country who go to the grocery store week after week and find prices going up at an exponential rate and find their disposable income is going down at about 3 percent a year right now. Inflation is literally tearing the heart out of this country.

Some businessmen say it is all because of deficit spending, and certainly, they are right, there is a good big portion of it that is caused by deficit spending. But that is not the only reason. One of the bigger reasons is that we have not been able to control our energy appetite in this country, and this year, we are going to import about $50 to $55 billion worth of oil, which we cannot afford, and we are going to have another big trade deficit. Last year, it was a little over $27 billion. This year it is likely to be that much and more. That is the reason that the dollar, against the yen, the mark, and the franc, and every other currency, continues to decline.

That is the reason the Datsun and Toyota cost has been $1,000 more than last year.

So the American people perceive maybe not some sophisticated economic theory, but they perceive that something is grossly wrong in this country when inflation continues to run unabated and our energy appetite grows and nobody seems to be doing anything about it.

Those are the things that are relevant in the lives of the American people.

Let us govern expenditures. A more responsible attitude by the Congress in spending can certainly have a very dramatic impact.

In my opinion, if we could say, "Look, we will not cut your taxes, but when you go to the grocery store and see bread at 45 cents or 50 cents a loaf, next month, or 6 months from now, and a year from now it will still be 45 cents or 50 cents," they make a lot more money that way than by cutting taxes. They do not have to understand sophisticated economic theories to understand that. They know it.

But with all that said, the Curtis amendment, I believe, is placed before this body in the wrong setting. It is going to be difficult for me to vote against it because I have been an ardent, strong champion of a balanced budget. But I do not think we ought to wipe out D.C. representation in order to bring it up at this point. I think it should be brought up at some other time.

The Senator from Nebraska knows I came over to testify before the Judiciary Committee on my own resolution to balance the budget. He cosponsored mine and I cosponsored his. We both knew it was not going to get out of that committee.

I think that is unfortunate, because I think it would be good to have a good, long, healthy debate on that subject, a responsible debate, not one where people say one thing with tongue in cheek and do something else down in their committees.

So, for those reasons, Madam President, I will reluctantly oppose the Curtis amendment.

Mr. TALMADGE addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. TALMADGE. Madam President, President Carter pledged to balance the Federal budget by 1981. Congress continues to pay lip service to the concept of a balanced budget. The need for fiscal responsibility in Government was a pivotal issue in last year's election.

In short, everyone talks about it, but from many years of experience, I am somewhat cynical. I find it very difficult to be optimistic about restoring economic order to the U.S. Government.

In fact, I lean more toward pessimism, an attitude which is shared by many of the world's leading economists, including a Nobel Prize winner in economics, Milton Friedman.

With all due respect to the President, I do not believe it will be possible for him to achieve a balanced budget by the end of his term.

As for Congress ever balancing the budget, we may as well forget it. We have not had a balanced budget in the past 18 years. In fact, we have plunged the Nation further into debt in the past 10 years than all of the previous history of the Republic.

A balanced budget has literally become a relic of the past.

I have struck a note of pessimism because that is exactly how I see the situation. However, it does not have to be. We have the power and the means to restore strength and stability to the U.S. economy.

We can act if we will. We can stem the tide of massive deficit spending which pushes our Nation deeper and deeper into debt; or, we can continue to sit on our hands and court economic disaster.

U.S. fiscal policy can be compared to the plight of the drug addict. We borrow to pump more money into the economy to get things going.

Unfortunately, the high is only temporary and eventually another dose is required. And on it goes.

Each time the dosage must be increased to create any kind of stimulation at all. And sooner or later, there comes the fatal overdose.

So it has been with economic pump priming by the United States in the past two decades. The Keynesian theory of economic stimulation not only made deficit spending acceptable but desirable as well.

The fact is, we have not stimulated the economy. We have not increased productivity in the private sector. We have not reduced unemployment.

We have instead created rampant inflation. We have destroyed confidence in the dollar. We have lost our preeminence in the world. We have destroyed public confidence.

If the massive outpour of Federal funds—which we have had to borrow before we could spend—has not bolstered the economy, what has it done?

We have made Government bigger and bigger. We have created a bureaucratic monster that defies control.

It is within Congress power to balance the budget. I do not think Congress, as presently constituted, has the will to balance the budget. In short, I do not believe Congress will ever balance the budget until it is made to do so.

I propose we do precisely that. I propose that we throw away the key to the Treasury, and that we stop the run on the taxpayer's money.

I again believe that the U.S. Constitution should be amended to provide that, except in a time of war or extraordinary national economic emergency declared by Congress, the aggregate expenditures of the Federal Government shall not exceed the net amount of its revenues in any fiscal year.

I have been pushing for such action for several years. I have thrice proposed a budget amendment to the Constitution. I will continue to stand behind it as long as I am witness to a Congress and U.S. Government that seems bent upon bankruptcy.

Quite simply, we should establish as a supreme law of the land the principle that the budget of the United States must be balanced.

There is growing support for a mandatory budget amendment. More than 135 Members of the House sponsored such action. Twenty-two States have adopted resolutions urging that the Constitution be amended to require a balanced Federal budget.

According to polls, an overwhelming majority of the American people also want to enjoin Congress from deficit spending.

Twenty-eight Senators have sponsored such an amendment. I believe without hestitation that a budget amendment would be readily ratified by the States if they were given an opportunity to vote on it.

It is the people's money we are talking about. It is their Government. I say we ought to give the people that opportunity.

The need for such a measure as this is well known to every American seeking tax relief and to every citizen, taxpayer or not, who has been subjected to the ravages of inflation which robs them of their earnings and their savings.

In 40 of the past 46 years, we have mounted multibillion-dollar deficit upon deficit. We have a national debt of some $750 billion. Interest on that debt is the third largest item in the budget.

We will pay more interest on our national debt this year than we spent on all Federal operations in 1950.

No one argues much about the need to get a tighter grip on Federal expenditures. President Ford supported the concept of a balanced budget and, in fact, President Carter campaigned with a specific promise to balance the budget by 1981.

He cannot do it alone, if at all. Congress must take the initiative. Congress must discipline itself. Congress must put itself under an irrevocable mandate to stop spending beyond our means.

In the final analysis, no matter what a President proposes, final authority over the budget rests with Congress, and with Congress alone.

We cannot continue to spend money we do not have on programs we do not

need in the vain hope of being all things to all people, both at home and abroad.

Dollars are squandered throughout the vast Federal bureaucracy and in every nook and cranny of America.

They are scattered in every corner of the world and have found their way into the hands of allies and adversaries alike.

In efforts to solve every problem everywhere in the world and some that only exist in people's minds, we have succeeded only in breeding contempt for our prosperity and generosity over the past two or three decades.

My father used to say that just as a man cannot drink himself sober, a nation cannot spend itself rich.

Historians have noted that each of the 16 great civilizations of the past fell because of internal economic and political strifes, and not because of invasion or attack by an external enemy.

In view of the fact that more than 6.2 million Americans are out of work, double-digit inflation remains a serious threat, and we are still trying to recover from the worst recession since the Great Depression; it is proper to inquire if we have not been sowing the seeds of our own eventual destruction.

We cling to the perverse attitude that regardless of which economic ill plagues our Nation at any given time—inflation or recession or what has come to be known as stagflation—the best way to attack that problem is to throw money at it.

Fearing for our own political lives, we refuse to raise taxes to finance the increasing cost of Government. We simply borrow the money instead.

As a result, deficit spending, traveling under the guise of economic stimulation, has become a way of life.

To continue to borrow and inflate puts an unconscionable burden on generations of Americans yet unborn. This is not economic stimulation. It is theft.

I submit, Madam President, that such a fiscal lifestyle is at best unhealthy for our Nation, and at worst suicidal.

There can be no stabilization of the U.S. economy without Federal spending control. These are the most important issues and the greatest challenges facing the American Government today.

At stake is the confidence of the world in our economy. At stake is our own national security.

In recent years, our preeminence as leader of the free world has been severely eroded. The American dollar has come under savage attack and has taken beatings in world monetary markets.

Also at stake is the confidence of the American people in their Government and, to a large degree, the confidence of our people in themselves.

Lack of public faith is not surprising when one considers that working people must devote more than a third of the year, just to meet State, local, and Federal tax obligations.

They are outraged with inequities of the Internal Revenue Code. They demand tax reform and tax relief. I do not blame them.

But, let us not confuse the issue. If Congress enacted every "soak the rich" tax reform proposal the mind of man could conceive, the revenue gained for the U.S. Treasury would be a mere drop in the bucket compared to the projected Federal budget deficit for this year.

For example, the Joint Committee on Taxation estimates that if the Federal Government totally confiscated all individual incomes in excess of $100,000, we would gain approximately $1.3 billion in new revenue.

If we confiscated all individual incomes in excess of $20,000, we would generate an additional $16.3 billion. That is no small amount, but it is only a fraction of the fiscal 1978 budget deficit which at last count will be approximately $50 billion.

Other so-called tax reform approaches have been suggested. We could remove the tax exempt status of interest earned on State and local bonds—a so-called tax loophole that denies the Federal Treasury approximately $5 billion each year. But such action as this would handicap State and local government and virtually wipe out many needed services and operations of local government.

We could do away with deductions for charitable contributions that would bring in an additional $6 billion a year in revenue.

But where would that leave our churches, schools, health organizations, and charities which depend on gifts and donations as their life blood?

We could end the Federal income deduction on mortgage interest payments by people who are trying to buy their own homes. We could repeal the deduction for medical, hospital, and drug expenses of the sick, the disabled, and the elderly.

We could go on and on with such a crusade. We could march triumphantly through the Internal Revenue Code, leaving in our wake crushed remains of so-called shelters and the tightly closed remnants of tax loopholes.

But, Madam President, we need to be honest with ourselves—and with the American public—and determine whether sweeping tax reform is the real answer.

We have tried tax revision. We have tried tax reduction. Understandably, as elected public officials, we are always in search of some reason for enacting some form of tax relief.

In my judgment, the best and most justifiable reason is that taxes at all levels of government are too high.

When you take statutory taxation at all levels of government, and add to that the cruel tax that is imposed by inflation, it is no wonder that the American people cry for relief—especially low- and middle-income families and people who must live on fixed incomes like social security and retirements benefits.

I submit that tax revision is not the answer. We have pursued policy of taxing less, of spending more, and of borrowing to the hilt—and instead of relieving taxpayers and working people, we increase their burdens.

I do not deny that Congress should take a long, hard look at our tax laws. On the contrary, I strongly feel that we should comprehensively review the code. I fully support requiring each citizen, individual and corporation alike, to carry a fair share of the tax burden.

Granted, we need tax revision. But we need budget control more.

We have had astronomical Federal deficits during Republican and Democratic administrations alike. I do not single out any administration for blame. I do not single out any Congress for blame.

I do say Congress, and Congress alone, has the power to act to balance the budget, to lead the way toward order in our economy, and to help rebuild public confidence in government.

There are other potentially disastrous dimensions to our "buy now, pay later" fiscal policy. Americans are already paying exorbitant interest rates on consumer loans and home mortgages.

The situation could be grievously aggravated if the Federal Government must become even more deeply dependent upon private credit markets in order to finance the horrendous budget deficits of this year and next.

Massive borrowing by the Federal Government can crowd working people and businessmen out of the credit market altogether and can place the Treasury Department in open competition for every available credit dollar.

The results could be catastrophic: Even more credit shortages and even higher interest rates.

Clearly, Madam President, we cannot continue on a course of unrestrained spending and festering debt. We cannot continue to run the risk of economic upheaval. We have gone too far down that road already.

Because of this, I offered my own resolution to turn our Nation's fiscal policy around by compelling Congress and the President to appraise our national priorities realisitcally, and to allocate our national resources responsibly. Because of this I intend to support budget balancing amendments to every proposed change in our Constitution that the Senate considers this Congress. With the adoption of a budget amendment, the luxury of falling back on deficit financing would no longer be easily available. We would be insulated from the day-to-day pressures and demands to spend more and more money for everything that comes along.

The mechanics of my own proposal are simple and straightforward. Only war or an express congressional declaration of national economic emergency would permit deficit financing. In determining whether an extraordinary crisis exists, the Congress would have to consider the extent and the rate of unemployment, industrial activity, inflation, and other economic indicators it deems appropriate.

I am convinced of the need for such a resolution. I believe most Americans share this conviction. We have persistently embraced the notion that the best and only way to solve a problem, any problem, is to bury it under a pile of Federal money. We have lost sight of the fact that Government has no ability to produce wealth. It only has what it takes from the people.

We need budget control that is firm, irrevocable, and enforceable, as a major weapon against inflation which has been draining the strength of our Nation, frustrating the taxpayer, robbing the worker of the fruits of his labor, depriving the elderly of the full benefit of their savings and benefits, and denying the businessman a fair return of his investment.

Undoubtedly, some will say that this approach is bad economics. Some will say that this approach is bad politics. There are even those who will say both.

I submit, Madam President, that we have followed their advice in the past and look where we are now. The big spenders have had their way, and their way has taken us to the brink of economic collapse and potential political rebellion.

Undoubtedly, many people will say that this approach is drastic. I concede that point. Drastic action is required. The economic spasms we are experiencing defy ordinary remedy.

When the debt of the U.S. Government is far greater than the combined debts of all other governments of all other nations of the world, drastic action is required.

When we see how a once-powerful nation like Great Britain can be reduced to virtual economic impotence because of government that has gotten too big and too costly, drastic action is called for.

When Federal, State, and local spending accounts for 40 percent of the gross national product, with Federal spending making up 25 percent of the GNP—drastic action is called for.

Madam President, we cannot, we must not, be lulled into a false sense of security. Through reckless Federal spending and borrowing policies we have almost bankrupted our Nation, the most powerful, the most wealthy, the most generous society the world has ever known.

We have alienated our constituents. We have mortgaged our children's future. We have no recourse except to take positive action to cut spending and the only way I know how to do this is to require it under the Constitution.

Madam President, I yield the floor.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. TALMADGE. I yield to my distinguished colleague from Nebraska.

Mr. CURTIS. I wish to commend the distinguished Senator from Georgia for his remarks. Many of our States have a constitutional restraint against going into debt. Without a doubt, it has preserved their solvency. The Senator is right in pointing to the fact that we must have such a constitutional restraint in the Federal Government. I commend him for all that he has said and his support of this cause.

I might point out for the RECORD that the proposed constitutional amendment for representation for the District of Columbia is here without the blessing of a committee. So this substitute, a proposed constitutional amendment to balance the budget, has equal standing today before the Senator so far as committee action is concerned and it remains a question: What is important?

I am willing to submit it to all of the people of the country. They have already spoken. They said inflation is the most important. We should balance our budget and thus remove one of the biggest causes of inflation.

Again I thank the distinguished Senator from Georgia for his contribution.

Mr. MELCHER. Mr. President, I ask unanimous consent that Wayne Mehl, Jim Stasny, and Ben Stong, of my staff, be accorded the privilege of the floor during the debate and consideration of votes on this measure.

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, the Curtis amendment proposed yesterday involves a most serious fiscal problem.

The Federal Government's continuing deficit must be eliminated as soon as possible.

But we must beware of simple-minded solutions proposed for personal or partisan advantage to this most serious problem.

H. L. Mencken once said:

> There is always an easy solution to every human problem—neat, plausible, and wrong.

The deficit is a difficult problem.

The Curtis amendment is a simple, easy and wrong approach to solving it.

In fact, the Curtis amendment will almost certainly make the deficit worse and may lead to even greater Government spending.

The Curtis proposal would amend the Constitution. It would require the President to impose an income tax increase every calendar year equal to the Federal deficit of the last year. For example, last year's deficit was $50 billion. Under the Curtis amendment, 1978 income taxes would have risen $50 billion, or about 12½ percent for every taxpayer.

Now that is a simple proposition if I have ever seen one. But, let us take a closer look.

First of all, where does the deficit come from? The Federal deficit in any particular year is roughly the difference between what the Treasury takes in in taxes and what it pays out for expenditures. A deficit occurs when Government expenses rise more rapidly than taxes.

Deficits will occur even in good economic times when Government simply spends too much. I want to say more about that later in these remarks.

But deficits also occur—like those of the last several years—when a recession depresses private business. Government revenues go down when taxes on wages and profits are lost in a high unemployment, low profit economy.

These deficits are a serious problem.

The Curtis amendment's answer to this problem is to kill the patient to cure the disease.

In recessionary times, like those of the last 3 years, the Curtis amendment would require massive tax increases. It would attempt to balance the budget by huge tax increases precisely when the economy is weakest and most in need of support from tax cuts.

Had the Curtis amendment been in effect during the past 4 years, Federal taxes would have risen by a theoretical $156 billion, the total deficit in those years.

As a practical matter, such huge tax increases would have severely damaged the economy. An even deeper recession would have shattered business and consumer confidence. And the deficits would then probably have been even deeper as more wages and profits and the taxes on them were lost.

But this deficit deepening effect of the Curtis amendment is not its only startling defect.

In better times, the Curtis amendment would encourage excess Federal spending by producing excess revenues.

Let us see how that would happen.

Under the budget Congress has adopted, for example, we expect to gradually eliminate the deficit by 1983 as the economy improves.

In fact, we foresee a surplus in 1983 of about $3 billion.

But there will be a $13 billion deficit in 1982.

Under the Curtis proposal, taxes would be increased in 1983 by $13 billion—the amount of the deficit in 1982.

This surtax would not avoid the 1982 deficit. It will already be on the books.

And it will not limit spending in 1982 which will already be history.

But it will encourage excess Federal spending in 1983, because these $13 billion in extra taxes will just add on to the $3 billion surplus already forecast. Assuming this tax increase did not start another recession that year, the Curtis amendment would encourage new Federal spending up to this $16 billion surplus and an expansion of the Government to use these new taxes.

As chairman of the Budget Committee, I yield to no Senator in my concern about this deficit and my attempts to eliminate it through the congressional budget process. The 5-year budget we adopted this year is designed to do that.

But the budget process has got to be allowed to work.

Senators cannot vote to suspend the budget process when it interfers with their spending plans.

Senators who vote against budget resolutions—and then vote to suspend the Budget Act in order to spend more money anyway—are saboteurs of the budget process and fiscal responsibility.

For example, the sponsor of this amendment has never voted for a budget resolution. Yet twice in the past 6 months—once only 2 months ago—he has voted to suspend the Budget Act. He has done so to allow for billions of dollars in new deficit-financed Federal spending which the budget resolution prohibited.

It may be that the temptation to preach fiscal responsibility and practice fiscal profligacy cannot be controlled in the Senate. I often have my doubts on that question.

For example, contrary to the proposed constitutional amendment which is advocated here today, this same Senator is a cosponsor of the so-called Roth-Kemp bill to cut taxes by one-third during these next 3 deficit-financed

years—for a total addition to the deficit of another $126 billion.

Mr. President, I had the great pleasure recently to meet with Mr. Howard Jarvis. No one can fail to admire the sincerity and single-mindedness with which he has pursued the important issue of property tax reform.

But we must beware of those who would ride his coattails.

It may be that someday we will have to give up on ourselves and amend the Constitution to restrain our conduct.

I hope we can act responsibly, so that that day never will come. But if that day comes, such an amendment must be workable, well thought through, and responsible.

This one is not.

I oppose it and I urge my fellow Senators to do likewise.

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

Mr. MUSKIE. Yes, I would be happy to yield to my good friend from Indiana.

Mr. BAYH. Mr. President, I have had the opportunity to study the logic presented by the distinguished Senator from Maine on this issue, and I just want to add my commendation to him for the well-thought-out logic. This business of how one ultimately deals with our goal of a balanced budget is the kind of thing that, like specialized surgery, requires well-honed technicians and the use of a scalpel instead of a meat ax or vise grip approach. I think the Senator from Maine says that much more eloquently than the Senator from Indiana ever could. I just wanted to associate myself with his remarks.

Mr. MUSKIE. I appreciate that.

May I add that Senator DANFORTH, who is the author of a proposal that appears to be similar in some respects to the Curtis amendment, asked me several days ago to take a look at his proposal. We have been doing so in good faith and with a positive attitude, because he obviously has considerable faith that his approach would work. We were prepared to consider offering suggestions for changes in that proposal. Of course, we are not in a position to develop such changes in connection with this amendment.

The unfortunate thing is that the amendment in this case was offered to an unrelated amendment, the pending constitutional amendment. The purpose, I gather, is to prolong debate on the pending constitutional amendment. The result is, I think, to give less than a complete and comprehensive evaluation of proposals of this kind.

Having had the benefit of at least a preliminary analysis of such proposals for automatic tax increases, we were in some position to evaluate their consequences. In its present form in this amendment, it does have the drawbacks that I have suggested here this morning. For that reason, even though it may be popular to vote for anything in the name of balancing the budget, to act responsibly I have to vote against this proposal. I have stated the reasons, and I think I stated them sufficiently briefly so as not to burden the Senate with my oratory.

Mr. BAYH. Mr. President, could I ask the Senator to yield for another observation and response?

Mr. MUSKIE. I would be happy to yield.

Mr. BAYH. When this matter was brought to the floor yesterday, our distinguished friend and colleague from Nebraska issued an opinion which, frankly, I think probably was very accurate, and in which he said that everybody is for balanced budgets but not now.

I think we all have to recognize there is a certain amount of hypocrisy on this question.

Having admitted that, and confessing, if that is good for the soul, may I address another concern I have on the way we go about it? We just have to find a way in which we can address ourselves to that issue, if not on a year-to-year basis at least if we look at a larger cycle to try to see that assets and liabilities pretty well balance out. At least we give more attention to that than we have in the past.

This is not easy to do. One of the concerns I have, as chairman of the Subcommittee on the Constitution that has dealt with some degree of success and a great degree of lack of success in the constitutional amendment area, one thing that is obvious is that it is very difficult to amend the Constitution. I think this is probably good, as much as I have come a cropper in a good many of the ideas I have had to change the Constitution.

We do not want the Constitution changed at every whim. I say that, and I want the Senators' opinion on that, because, if we consider a balanced budget and the relationship it has on the economy, and the need to be careful if we cut taxes or raise taxes so that that is not a self-defeating kind of thing so far as getting additional revenues, that is, undoing what we set out to do, and if we consider that you cannot tell what you are going to need 10 years from now, then if you write into the Constitution something that can only be changed by an extenuated legislative process where you need to get two-thirds and then three-fourths of the State legislatures, it seems to me it denies us the kind of day-to-day almost, certainly year-to-year, decisions that can ultimately accomplish the goal.

Also the provision in the amendment of the Senator from Nebraska would require a three-fourths agreement. In other words, you might be able to get 52, 53, or 54 percent of both Houses, if they had courage enough to say that we are going to raise taxes and we are going to cut the budget here and not here, but to get three-fourths, it seems to me, is to make it almost impossible to have the opportunity to use some of the selective tools the Senator from Maine is very much aware of.

I wonder if he would address himself briefly to the need to have that kind of flexibility, and that this amendment is really sort of an inflexible way to approach the problem?

Mr. MUSKIE. I would agree with the Senator's conclusion. I would add that when we were in the process of drawing up the Budget Reform Act, we considered several approaches, from the very rigid and inflexible to some that perhaps would have been too loose and too flexible.

We bore in mind constantly that we had to deal with an institution of 535 Members, 100 Senators and 435 Members of the House of Representatives, each of whom had his or her own priorities.

You know, I have never met a Senator who did not believe in more spending for something. It might be defense, it might be veterans programs, it might be social security programs, but I believe almost every Senator's record will reveal that he stands for more spending for something other than the President recommended or than the budget resolution provided.

Well, you cannot accommodate every Senator's desire for more spending in his area without having large increases in total spending. So we have to—and I have reminded President Carter of this—put together a budget resolution for which we can get a majority vote. That means getting a budget resolution with a wide range of priorities.

That has been very difficult to do on the House side, and it has also been difficult to do here. You have people with that wide range of priorities, which has the result of raising total Government spending to a higher level. The result is that the total spending is more than I would like to have seen in the last 3 or 4 years, for example.

The budget has to be passed by a margin of only one vote, but that has never been easy to do. So I have found myself, as chairman of the Budget Committee, defending spending proposals at levels that I disapprove, and agreeing to limitations on spending in other areas where I would have preferred not to see them, in the interest of maintaining the process and the overall discipline.

If you do not have flexibility of that kind, the process will not work. The Senator was here in the same period that I was, when Presidents urged overall spending ceilings on us. They did not work, because when Members' priorities did not fit under the ceilings; Congress paid no attention to them.

A constitutional amendment as rigid as this one would, in my opinion, have produced very unfortunate economic results if we had had it in place. The escape route of a three-quarters vote would not work. How often would you see three-quarters of the Senate vote for something with specific costs to override the effect of the Curtis constitutional amendment if it were in place?

I just cannot see a three-quarters vote. You might just as well ask for a unanimous vote, if you were going to do that.

The second point I would make is that the Curtis amendment and the Danforth amendment are geared to outlays. Well, it is not outlays that trigger Government spending. Government spending is the result of budget authority. So if you try to screw down Government spending by controlling outlays without cutting budget authority, you have not controlled anything. To control outlays you have to control budget authority in prior years.

But the point of flexibility which the Senator raises is a very important one. There is no question that we need discipline. I could not concur more heartily with my good friend from Nebraska. We do need discipline.

But we also need flexibility, not only to meet economic exigencies, but to meet the unanticipated emergency, to meet the changing priorities of Members, and to meet the priorities of the people of this country, which change on us from time to time. We need flexibility in order to get their votes.

I think the Budget Act, with all its shortcomings, and it does have shortcomings, has had the effect of gradually establishing a sense of discipline in this body. It does not always work the way I would like it to. The result of its application is often not what I would like to be the result. But there were a couple of votes last week that, to my surprise, in view of what has previously happened in the Congress indicated that the need for discipline has begun to be felt by Senators. I would like to take advantage of that sense of discpline, which I believe has given the budget process a longer life than some of us expected when we created it. By building on that process and doing the job, I think we can have a balanced budget when a consensus in the country requires it, and the economy is strong enough to make it possible.

In the second budget resolution, which we will be considering in September, it is projected that the budget process outlays down just below 20 percent of GNP by 1983. Since outlays have been on the order of 22 to 23 percent of GNP through this recession period, if we can get it down to about 20 percent, we will have accomplished a great deal in limiting spending. We will also move toward a balanced budget, because, if we can moderate inflation by that action and encourage the private sector, revenues will continue to grow. We will then probably be able to have additional tax cuts and still achieve a balanced budget by 1983.

That is our objective and has been our objective in the budget process. As to the prospect of increasing taxes in times of recession, during these 3 or 4 years of recession we have had, no economist who has appeared before our committee, from the most conservative to the most liberal, has advocated tax increases to wipe out those deficits. None.

Mr. BAYH. No economist?

Mr. MUSKIE. No economist has recommended that. Some of them have proposed cutting spending or taxes more than others, and they obviously have differing economic philosophies. But there has not been one who has advocated massive tax increases to wipe out the deficits of the last 3 or 4 years which were forced on us by the depressed state of the economy.

Mr. BAYH. I appreciate very much the Senator's significant contribution.

Mr. CURTIS. Mr. President, I very much respect the distinguished Senator from Maine. He has carried a load, as chairman of the Budget Committee, that involves more detail and more trials, perhaps, than most of us realize. I respect his opinion on budget matters.

Likewise, I want to commend the distinguished Senator from Indiana (Mr. BAYH) for his work on constitutional amendments.

There are a few items that I feel we should correct for the RECORD.

The Curtis substitute does not authorize the President to impose taxes. The taxes are imposed automatically, under the force of the Constitution if this were a part of the Constitution. All the President does is perform an administrative act of working the arithmetic.

Here is the situation: I am not riding Mr. Jarvis' coattails. I have had a constitutional amendment to compel a balanced budget pending before this Congress for more than a quarter of a century.

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

Mr. CURTIS. I yield.

Mr. BAYH. I will say to my good friend from Nebraska that he manufactured the cloth that Mr. Jarvis somehow got on the shelf.

Mr. CURTIS. I thank the Senator for that compliment. Mr. Jarvis is a great benefactor.

There were individuals in California who 10 years ago had a tax of $250 on their home. That tax had gone up to $2,500.

I talked to a young man, a resident of California, and I said, "How did you vote on Jarvis?" He said, "Well, I do not understand these things very much, but without it, they were driving families, and particularly old people, out of their homes."

So the fact that Mr. Jarvis performed this service for California is a good thing.

There are probably some harsh things about it. Maybe some things will have to be adjusted. But the fact remains the people who were paying the bills received some consideration, and the destruction caused by more taxes and more taxes was called to a halt.

I also want to point out there is no surprise to my amendment here today. It has been pending since April 4. The House District of Columbia representation proposal came here on March 6. It was held at the desk. My amendment was offered on April 4.

May I say something about the provision in the Curtis amendment in reference to taxes? I will say why it is there. I hope the Congress will never rely upon a mere declaration written into the Constitution that Congress must balance the budget. There will come a time in extreme circumstances, or arguments will be persuasive, and they will figure out a way not to do it, unless there is a self-enforcing procedure.

Is that just an idle charge? No, it is historical fact. The Constitution provides—though it is not very effective any more—that representation in the House of Representatives should be based upon population. However, if not all of the people were allowed to vote, representation should be reduced accordingly. That was the supreme law of the land in the Constitution, but there was no enforcement procedure.

What happened? I can name a few States. For example, Nebraska had four times as many voters over a series of elections, and they had about four times as many Representatives in the House of Representatives.

A mere declaration that we balance the budget would not be enough. It would be wrong to submit such a thing to the States.

I have had a constitutional amendment pending in the Congress for more than 25 years. One morning I heard the news that the distinguished Senator Byrd, father of our beloved colleague, had figured out a way to write a constitutional amendment which would be self-enforcing. This was a long time ago. He offered a constitutional amendment that said that Congress must balance the budget and they cannot adjourn until they take steps to balance it.

I thought it sounded great. Congress had been getting out about the first of July or the last of July. To make them stay there until they balanced the budget was a good thought. I called the distinguished senior Senator Byrd and said, "I want to be a cosponsor." The distinguished Styles Bridges, of New Hampshire, was a cosponsor.

What good would that enforcing session do now, with Congress in session most of the time, to say we had to stay in session until we balanced the budget, when we are in session almost all the time?

How can we enforce it?

I believe this provision for an automatic increase in taxes if we do not balance the budget will actually reduce expenditures because it is there, it cannot be overcome. Every Congressman and Senator will know if we authorize too much spending, everybody will know it right now, and they will have their taxes raised. If that will not be the discipline we have been hunting for, I would be surprised.

When I first introduced this particular feature of the enforcing provision, the fiscal year ended June 30. Since then, it has been changed to September 30. Every other year, 20 days after the end of the fiscal year, the announcement would be made that there would have to be a surtax added on everybody's taxes. That would be done every year. Every other year that would come about 2 or 3 weeks before the election.

It will not happen that we will have an unbalanced budget. If the report cards go out and say to all the voters, "The Congress has spent too much money and your taxes will have to be raised by 3 percent," 5 percent, or 20 percent, they have a remedy in the ballot box and they will use it.

Now, Mr. President, someone may come up with a much better enforcing provision than this automatic surtax. If they do, I will be delighted. Up to the present time, it has not happened.

I would earnestly warn, however, that it would be a mistake for us to go through the lengthy and difficult process of amending the Constitution and have it merely contain a declaration that Congress should balance the budget. It has to have a self-enforcing provision.

After all, what is so bad about the proposition that if you are going to spend, you have to collect the taxes? What is so virtuous about saying, "We are going to spend $50 billion more than we take in but we will not collect the taxes; we will charge it to another day."

That is not heresy?

Even if this surtax automatically went in, what is wrong if you overspend this year and you have to make it up next year? What is wrong with that? Why should we refuse to pay the cost of Government any more than we refuse to pay the cost of our food, our housing, or our clothing? Why all this pleading for the right to run deficits? It has not worked to prop up the economy. If running deficits would spur the economy, we would not have an economic problem in this country. Look at the deficits.

There is something interesting about this deficit business. There is quite a parallel between the amount of the interest on the national debt and the amount of the deficit. It is not only that Uncle Sam does not pay his bills, he does not pay the interest on them. We have increased the debt approximately the amount of the interest on the debt. This year the interest will be about $56 billion, not exactly that but somewhere near that figure. That will be the amount of the deficit, approximately. When are we going to start paying our bills? What is going to be the answer if a young lad speaks up and says, "Mr. Senator, does Uncle Sam ever pay his bills? If I buy a Government bond will it be paid out of surplus? Will you collect enough money to pay the interest every year?"

The truthful answer is that the bonds are paid by issuing more bonds, and we even go into debt for the interest.

If there is anyone who thinks we can go on and on with that without courting serious trouble, I am afraid they are mistaken. I hope they are not. It would be most comforting to accept the theory that we can go on doing that.

As I said a bit ago, both the District of Columbia representation proposition and this budget-balancing proposition are here without the benefit of committee recommendation, so they have equal standing so far as committee recommendation is concerned. Both of them have had some hearings. Neither one has been approved by a committee. The question then arises, which should come forth? Is the pressing problem throughout all of our land involving the falling of the value of the dollar in the markets of the world? Is inflation the pressing problem? Or is what the people are looking for all across the land some change in the representation for the District of Columbia?

Let us put first things first. Let us advance the constitutional amendment to require a balanced budget now and then follow that with consideration of the District of Columbia representation.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I oppose the pending amendment. Others have expressed objections and have been very effective in their analysis of the amendment. Mr. MUSKIE has made a very fine, reasonable, logical statement in opposition to it. Mr. KENNEDY, who is managing the measure, has done likewise.

I oppose it for two reasons in the main. Let me say parenthetically that, at this point, I have not yet made up my own mind on the District of Columbia representation amendment. I have an open mind. But I am opposed to this amendment on two grounds.

One, it is a complete substitute for the District of Columbia representation amendment. If the amendment by the distinguished Senator from Nebraska (Mr. CURTIS) were to be adopted, then the Senate would no longer be voting on a District of Columbia representation amendment. There is not a word mentioned in this substitute about District of Columbia representation. The Senate will be voting on a so-called budget-balancing amendment. There is no relation.

Of course, there is no rule of germaneness in the Senate except under cloture and in deliberation on appropriations bills.

I hope the Senate will be fully aware that if this amendment is adopted, instead of going due east, the Senate will be going due west. There are those who may prefer due west, but let there be no doubt about it. The legislation before the Senate will be a sudden shifting—180 degrees—a complete shift in the legislation before the Senate.

D.C. representation will be out of the window. There are those who are opposed to it, and I respect them for their opposition. As I say, I have an open mind. I may even vote against it in the final analysis; I may vote for it. But if we are against it, let us hit it head on; let us vote against it. Let us not inflict the fatal wound by the dagger-under-the-cloak approach.

I do not ascribe to the distinguished Senator from Nebraska that motive. I think he is absolutely dedicated to the balanced budget approach. He knows that because we have a constitutional amendment before the Senate, it is a vehicle whereby he can attempt to have a constitutional amendment to which he is very deeply dedicated, on a subject concerning which he is highly motivated. Nevertheless, in vaccinating the patient with a needle in this instance, the result will be the expiring of the patient and, in the final analysis, the delivery of the legislative corpse to the morgue.

I do not think that that is the way to go about fighting this amendment. As I say, for those who want to vote against it, let us have an up or down vote on it and let it rise or fall on its merits.

Second, Mr. President, I think it would be disastrous for a constitutional amendment to be adopted requiring a balanced budget. I am for a balanced budget, and I want to achieve a balanced budget, whenever and wherever possible. As I understand it, the Senator's amendment would make mandatory a balanced budget by increased taxes. Some may favor a balanced budget—and may even favor making it mandatory—but they may want to use the reduced spending mechanism as part of the approach.

In any event, the distinguished Senator from Nebraska has referred to the fact that many States are required by their own constitutions to have a balanced budget. My own State of West Virginia is so required. But many States would not be able to balance their budgets if it were not for the Federal largesse. The Federal contribution is 90 percent—90 to 10 on interstate highways, for example. And then there are the Federal contributions for education, welfare, and public safety, and in myriad other areas. My State requires a balanced budget, but I am one of those Senators who are in here frequently talking to Senators, with regard to applications for Federal assistance for this, that, or something else. The number of inquiries is endless and the number of applications is endless, and the number of areas in which the Federal Government aids the States in ways that make it possible for them to balance their budgets—although that is not the purpose of the Federal budget, yet it is one of the results—is really impossible of calculation.

So it is one thing for the States to be required to balance their budgets; it is quite another thing for the Federal Government to be mandated to balance its own budget.

Additionally, the Federal Government is required to carry out many responsibilities that the States do not have. The Federal Government is required, for example, to raise and support armies. Well, of course, the States do not have to bear that responsibility. They do have a National Guard and reserve units, but they get a lot of Federal assistance in carrying out those functions.

The Federal Government is required to appropriate moneys for a navy. Of course, this is a responsibility that the States do not have to bear.

The Federal Government is required through the Congress to provide for the common defense and the general welfare of the United States. States do not have that burden.

States have the problem of acting in conformity with their own individual welfare, but no State has the responsibility to provide through the State legislature for the general welfare of the United States.

The Federal Government has the responsibility through the Congress to establish post offices and post roads. The Federal Government contributes large amounts of money for the conduct of the Postal Service system, the Federal courts, the establishment of tribunals, the Federal courts, district courts, and appeals courts. All of these are responsibilities of the Federal Government. The Federal Government has to provide for the buildings, the equipment, and all the necessary accouterments that are required for them to carry out their functions.

I have already mentioned the provision and maintenance of the Navy. The State of West Virginia does not have to maintain a navy, although we do have what is called the Cherry River Navy. We have a small stream in West Virginia called the Cherry River, and a group that banded together calls themselves admirals in the Cherry River Navy.

The State of West Virginia does not maintain a navy, could not maintain a navy, is not required to maintain one,

and would be prohibited from maintaining one, even if it could.

The Federal Government is required to exercise legislation over the District of Columbia, which is the seat of the Federal Government—not a seat, but the seat of the Government of the United States. This is a responsibility that an individual State does not have to bear.

The Federal Government is required to exercise authority over all places purchased by the consent of the legislature of the State in which the same shall be for the erection of forts, magazines, arsenals, dockyards, and other buildings.

The Federal Government has the responsibility for navigable rivers, locks, and dams throughout the country.

We could go on and on and on.

But, Mr. President, the Federal Government has many responsibilities that in some instances are entirely out of the sphere and in some instances largely out of the sphere of State functions.

So to equate balancing the Federal budget with the balancing of a State budget is, again, almost like going due east as against going due west.

Moreover, Mr. President, to mandate a balanced budget would put the Federal Government in a straitjacket. To mandate it, I say. Where it can be achieved, if economic conditions are such that it can be achieved, it ought to be achieved, and it has been achieved during such years in this century.

So I think that all of us are in favor of having a balanced budget where it can be done. But to mandate it is quite another thing. To send out to the country a constitutional amendment that would result in mandating a balanced Federal budget sounds good. The idea of a balanced budget appeals to me. It would appeal to every voter.

But when one stops and thinks what happens in the event of a depression, in the event of a recession, when fiscal policy is an instrument to deal with such occurrences, and that the Federal Government would be mandated to balance its budget in any event, it could be disastrous for the country.

To repeal such a constitutional amendment once it were ratified by the States would be a long and arduous task, whereas the needs of the moment might require fast action.

CLASSICAL THEORY: THE SELF-CORRECTING ECONOMY

Early or "classical" economists believed that the economic system was self-correcting by nature. When distortions in the economy occurred, such as periods of high unemployment, they believed that automatic adjustments in the price and wage systems would restore the economy to full employment. As long as this belief was held, government budgets were not used purposefully to help work out economic distortions. Accordingly, the annually balanced budget was an unquestioned goal of public finance. As stated by Adam Smith in 1776, "The only good budget is a balanced budget."

CONTEMPORARY THEORY: THE COUNTERCYCLICAL BUDGET

The belief in "automaticity" did not square with economic reality.

The Senator from Nebraska and I remember the Great Depression well, but there are millions of people in this country who do not believe the stories that can be told about that Great Depression, who just do not believe the facts, who never experienced that depression.

The Great Depression finally provided proof that "automatic" wage and price adustments would not insure the health of the economic system—that is, full employment at low levels of inflation.

Today it is recognized that there is a need for discretionary fiscal policy. Levels of government spending and tax revenues are deliberately set by Congress as policy tools.

This amendment would take away from Congress these policy tools to deal with recession, with depression, with inflation, with unemployment, and with many other problems.

As a matter of fact, this amendment could result in tremendous exacerbation of unemployment in this country and could prevent Congress from using the instruments of fiscal policy to deal with inflation, to deal with a recession, to deal with a depression.

Under this philosophy, the Government's budget has a "countercyclical" function. To offset an economic slowdown, recession, or depression, the Government must consider reducing taxes or raising expenditures. That is what it has been doing following the most recent recession.

The current economic recovery is one of our longest post-war expansions. And it has been fostered by exactly what I am talking about—these instruments of fiscal policy. In short, the Government can and must continue to be able to stimulate the economy in times of a recession through the use of a deficit.

If we were to go forward now with a requirement for an annually balanced Federal budget, we would prevent Government fiscal policy from serving as a countercyclical tool. In some instances, such a requirement could intensify the harmful effects of the business cycle. For example: During a recessionary period, tax receipts can be expected to decline. In order to achieve a "balanced budget," the Government must either raise taxes or reduce expenditures or both. The effect of such action would further dampen the economy and add to unemployment.

Thus, it is now recognized that the "balanced budget" is not "neutral." It would have different effects at different stages of the business cycle. It could tip the economy from an economic slowdown back into a more serious recession.

The new thinking which has replaced classical theory is embodied in the Employment Act of 1946:

> The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work and to promote maximum employment, production, and purchasing power.

Controversy surrounds the application of countercyclical budget policy because our economy is simultaneously experiencing "slow growth" and high inflation. So there is no easy answer as to how much stimulus is economically right. One can say that whatever we do, we should not act precipitously. However, that is exactly what we will be doing here—we will be acting precipitously. If a constitutional amendment such as this ever is adopted, heaven help this country. There would be no way to legislate around a constitutional amendment that requires the mandates of a balanced budget. There is no way to legislate around it. That amendment would have to be repealed, and that would be a time-consuming operation.

If we really want to open Pandora's box, then mandate, through a constitutional amendment, a balanced budget. If we want to mandate it through legislation, that is one thing. Congress can change that legislation. A subsequent Congress can change what a previous Congress has done.

We mandated the balancing of the budget the other day. There were a great many Senators who voted to mandate a balanced budget. I was not in that group, and I am as much for a balanced budget as is anybody here—and many of those who are not here right now.

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

Mr. ROBERT C. BYRD. I yield.

Mr. MUSKIE. Mr. President, I am afraid I was not here at the time. I would have joined the majority leader in opposing legislation to require a balanced budget in 1981. I would have done so because recent actions taken by the Congress which would increase future deficits make a balanced 1981 budget an unrealistic goal. To vote to legislate a balanced 1981 budget would be just posturing, attempting to fool the citizens and voters of this country.

Mr. ROBERT C. BYRD. Of course.

That vote will have no more binding effect on the next Congress than my finger is having in leaving a hole in the air that I am now punching up there, or if I were to stick it in a pool of water and remove it, because the next Congress cannot be bound by this one.

Mr. MUSKIE. The point is that we cannot mandate a prosperous private economy by law. A prosperous private economy is the product of the right kind of balance between government at all levels and the private sector, where men are free to pursue their own enterprise. When that is out of balance, somebody has to act to restore the balance.

I was looking at a table in the 1979 Presidential budget document, which reveals that from 1921 to 1930, which was a period of conservative Republican administrations, we had balanced budgets each year. In 1930, the budget surplus was $738 million, in a year when total budget receipts were only $4 billion. In other words, the budget surplus was al-

most one-fifth of the total Government receipts. Yet, the Great Depression hit us, and we had a deficit in 1931—contrary to the argument that if you have minimum government and no government deficits. you can have prosperity. We did not have prosperity, and the deficits increased.

In 1932, incidentally, in order to overcome the deficit projected for fiscal year 1933, Congress, cooperating with the President, enacted increased taxes to eliminate that deficit. The result was a fiscal year 1933 deficit of $2.602 billion. In other words, the increase in taxes proved to be countercyclical, producing exactly the opposite result to what was intended—in good faith, I am sure—and to what was expected.

The Curtis amendment would have the same effect, but at a higher level of economic activity in the country and a much higher Federal budget.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. I hope he will obtain consent to insert that table in the RECORD at this point.

Mr. MUSKIE. Mr. President, I ask unanimous consent to have the table printed in the RECORD.

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

TABLE 21.—BUDGET RECEIPTS AND OUTLAYS, 1789–1979

(In millions of dollars)

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (–)
1789–1849	1, 160	1, 090	+70
1850–1900	14, 462	15, 453	–991
1901–1905	2, 797	2, 678	+119
1906–1910	3, 143	3, 196	–52
1911–1915	3, 517	3, 568	–49
1916–1920	17, 286	40, 195	–22, 590
1921	5, 571	5, 062	+509
1922	4, 026	3, 289	+736
1923	3, 853	3, 140	+713
1924	3, 871	2, 908	+963
1925	3, 641	2, 924	+717
1926	3, 795	2, 930	+865
1927	4, 013	2, 857	+1, 155
1928	3, 900	2, 961	+939
1929	3, 862	3, 127	+734
1930	4, 058	3, 320	+738
1931	3, 116	3, 577	–462
1932	1, 924	4, 659	–2, 735
1933	1, 997	4, 598	–2, 602
1934	3, 015	6, 645	–3, 630
1935	3, 706	6, 497	–2, 791
1936	3, 997	8, 422	–4, 425
1937	4, 956	7, 733	–2, 777
1938	5, 588	6, 765	–1, 177
1939	4, 979	8, 841	–3, 862
1940	6, 361	9, 456	–3, 095
1941	8, 621	13, 634	–5, 013
1942	14, 350	35, 114	–20, 764
1943	23, 649	78, 533	–54, 884
1944	44, 276	91, 280	–47, 004
1945	45, 216	92, 690	–47, 474
1946	39, 327	55, 183	–15, 856
1947	38, 394	34, 532	+3, 862
1948	41, 774	29, 773	+12, 001
1949	39, 437	38, 834	+603
1950	39, 485	42, 597	–3, 112
1951	51, 646	45, 546	+6, 110
1952	66, 204	67, 721	–1, 517
1953	69, 574	76, 107	–6, 533
1954	69, 719	70, 890	–1, 170
1955	65, 469	68, 509	–3, 041
1956	74, 547	70, 460	+4, 087
1957	79, 990	76, 741	+3, 249
1958	79, 636	82, 575	–2, 939
1959	79, 249	92, 104	–12, 855
1960	92, 492	92, 223	+269
1961	94, 389	97, 795	–3, 406
1962	99, 676	106, 813	–7, 137
1963	106, 560	111, 311	–4, 751
1964	112, 662	118, 584	–5, 922
1965	116, 833	118, 430	–1, 596
1966	130, 856	134, 652	–3, 796
1967	149, 552	158, 254	–8, 702
1968	153, 671	178, 833	–25, 161
1969	187, 784	184, 548	+3, 236
1970	193, 743	196, 588	–2, 845
1971	188, 392	211, 425	–23, 033
1972	208, 649	232, 021	–23, 373
1973	232, 225	247, 074	–14, 849
1974	264, 932	269, 620	–4, 688
1975	280, 997	326, 092	–45, 095
1976	299, 197	365, 643	–66, 446
TQ	81, 687	94, 657	–12, 970
1977	356, 861	401, 902	–45, 040
1978 estimate	400, 387	462, 234	–61, 847
1979 estimate	439, 588	500, 174	–60, 586

TOTALS, INCLUDING OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total deficit
1973	60	247, 134	–14, 909
1974	1, 447	271, 067	–6, 135
1975	8, 054	334, 145	–53, 149
1976	7, 211	372, 854	–73, 657
TQ	1, 770	96, 427	–14, 740
1977	8, 693	410, 594	–53, 733
1978 estimate	11, 514	473, 748	–73, 361
1979 estimate	12, 538	512, 712	–73, 124

*$500,000 or less.

NOTES

Certain interfund transactions are excluded from receipts and outlays starting in 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from receipts and outlays starting in 1913; comparable data are not available for prior years.

Data for 1789–1939 are for the administrative budget: 1940–79 are for the unified budget.

In calendar year 1976, the Federal fiscal year was converted from a July 1–June 30 basis to an Oct. 1–Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

Off-budget Federal entity outlays begin in 1973.

The amounts of earned income credit in excess of tax liabilities are shown as negative budget receipts rather than as budget outlays. Accordingly, the budget totals have been adjusted retroactively.

The 1975–77 data have been revised retroactively to include the housing for the elderly or handicapped fund in the unified budget instead of with the off-budget Federal entities.

Mr. ROBERT C. BYRD. Mr. President, in plain, simple language, the recent amendment mandating Congress to balance the budget by 1981 will have no binding effect. It really would amount to no more than a hill of beans, because the next Congress cannot be bound by this Congress, and subsequent law is going to be given precedence. If the next Congress passes a law to change that date or to repeal the law that this Congress enacts—if it finally becomes enacted—that Congress can do it. So if we are to mandate it, it should be done by legislation, not by a constitutional amendment.

In light of our economy's dual problems, there are some who are ready to advocate a return to the classical "balanced budget" philosophy and make it mandatory. I believe that this would be a precipitous course of action. At the very time when we need flexibility to deal with serious economic fluctuations, I believe that the absolute requirement of a balanced budget would tie the hands of Congress. It would mandate a balanced budget, but where will Congress make the cuts?

I am among those who are for a strong defense in this country—I suppose everybody would claim to be, and believe they are—but where are the cuts going to be made? Are the cuts going to be made in the school programs, are the cuts going to be made in the defense programs, in order to bring about a mandated balanced budget?

Those who are for a strong defense should stop, look, and listen because I imagine that if this constitutional amendment is adopted mandating a balanced budget, the defense of this country is going to seriously suffer.

Mr. President, I shall move to table as soon as I complete my statement and that will be within the next few minutes.

I understand Senator THURMOND will come over and speak, unless the Senator from Nebraska wishes to respond to my remarks. Then I shall move to table.

If Congress refused to set fiscal policy—as it must—in light of changing economic conditions, Congress would not be facing up to its responsibilities for helping to manage the economy.

The achievement of a balanced budget is presented by some as a cure for inflation. What is being overlooked is today there are many causes of inflation unrelated to the size of the deficit.

The achievement of a balanced budget is presented by some as a "cure" for inflation. In defense of his amendment (to the International Monetary Fund legislation) for a balanced budget beginning in fiscal year 1981, Senator HARRY BYRD said:

> I am prompted to offer this amendment, because of the official Government reports last week that our country now has double-digit inflation.
>
> I am convinced we will not get the cost of living under control until we get the cost of Government under control.

What is being overlooked is that today there are many causes of inflation unrelated to the size of the deficit.

Much inflation now originates outside the U.S. economy. Inflation is worldwide. For example, it is argued that the quadrupling of the world price of oil was the single most important cause of the 12.2 percent rise in consumer prices during 1974. Appropriately, the latest report of the Council of Economic Advisers concludes:

> The major inflationary pressures in 1973 and 1974 . . . were not caused by domestic monetary and fiscal policy.

Mr. President, we need to maintain congressional flexibility with regard to fiscal policy. We need to strive to achieve a balanced budget. The administration is moving in that direction. Congress is reflecting that mood. Congress reduced the administration's deficit figure. The administration in its budget proposed a deficit of something like $60 billion. The first concurrent budget resolution that was enacted by Congress cut that figure by $10 billion, roughly, and in its second concurrent resolution I believe Congress is likely to further reduce that budget deficit figure by perhaps $8 billion.

So Congress has caught that mood and is reflecting that mood in its actions.

So what I am saying does not gainsay the desire on my part of the need for achieving a balanced budget wherever we can and whenever we can, but that

is quite a different thing from mandating a balanced budget.

Requiring a "balanced budget" by a specific date would force Congress to deal with our economic problems with its hands tied behind its back.

The need to maintain flexibility as regards the budget is embodied in some of the administration's recent statements on economic goals. According to the administration, it will—

Restrain outlays to the President's stated limit of 21 percent of GNP so that a balanced budget in 1981 is achievable if the economy continues to recover along the path assumed in the long-range economic assumptions. However, since receipts depend directly upon economic performance, the goal of a balanced budget would have to be deferred if the President determined that the economy required further tax reductions.

I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, as the second budget resolution will make clear to Senators when we receive it—the Budget Committee completed it last week—our goal is to bring outlays below 20 percent of GNP, and if the second budget resolution is implemented over the next 5 years, that will be the result. Outlays as a percent of GNP will be 2½ percentage points lower in 1983 than they were at the depth of the recent recession.

Now, 2½ percentage points as against GNP represents a substantial reduction in spending when translated into dollars.

Congress can achieve this substantial reduction in spending by implementing the recommendations of the Budget Committee, and I expect that these recommendations will in fact be supported by the Senate and by Congress as a whole. That support should encourage those who, as the majority leader and myself, and others, are committed to the idea of a balanced budget.

Mr. ROBERT C. BYRD. Yes. I thank the Senator.

In summation, Mr. President, I base my opposition to the substitute by Mr. CURTIS on the two points, mainly, that I have tried to stress, in addition to those that have been so effectively raised by Mr. MUSKIE, Mr. KENNEDY, and others, to wit:

One is that a complete substitute has nothing to do with D.C. representation; and

Two is that it would be very unwise to have a constitutional amendment that would mandate a balanced budget.

Mr. President, it is my intention to move to table the amendment. I do want to give Mr. THURMOND an opportunity to speak on the amendment and Mr. GOLDWATER, if he wishes to speak.

Mr. GOLDWATER. Mr. President, will the Senator yield now?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask unanimous consent that I may yield to Mr. GOLDWATER without losing my right to the floor.

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

Mr. GOLDWATER. Mr. President, as a preface to my remarks, I do not agree with the method that was used to bring the District of Columbia representation to the Senate floor. I wish it could have followed the regular process used and I believe this is the process provided by the Constitution which we now intend to amend, plus which our tradition calls for committee action before submission to the Senate floor. However, the measure is before us and each Member of the Senate must fulfill his or her responsibility to decide upon the fundamental issues.

First, we must answer the question of whether or not U.S. citizens, living in a part of the original United States, should enjoy the right to vote for Federal offices on a basis of equality with all other citizens.

Second, we must decide whether this particular approach, treating the District of Columbia as a State for purposes of voting representation, is the appropriate method for achieving full voting representation for District residents.

And, Mr. President, I would add a third issue that is before us, which may be the decisive one as far as Congress is concerned.

This is the question of whether we should let the people decide. Is the subject of such deep political importance in a democracy that it is not one for Members of Congress alone to settle?

The Constitution lays down the way in which amendments shall be proposed by the Congress and ratified by the people of the several States. The amendment route is long and difficult, intentionally so.

But the basic idea is specified in the Constitution itself. The people, through their State legislatures or by conventions, as may be proposed by Congress, are to decide. Fully three-fourths of the States, 38 of them, must ratify an amendment before it can become part of the Constitution.

This design of the framers would be defeated if we in the Congress should block a proposed amendment and deprive the people of any voice on it.

Now, Mr. President, I am not speaking of frivolous proposals. I am not referring to subjects which might adequately have been treated under existing provisions of the Constitution or through statutes, as distinguished from constitutional amendments. Nor am I referring to changes that might be considered by some to make improvements in the mechanics of government, but are merely a different way of implementing basic rights that already are firmly protected.

Mr. President, what I have in mind is a subject which involves securing the most precious political rights and liberties of a free people. Among those rights, and indeed at the highest rank, must be put the right to vote.

It has long ago been established by court decrees, as well as by American political tradition, that the right to vote in Federal elections is a right that flows directly from the Constitution to each citizen of the United States. This right is one belonging to national citizenship and it arises out of the very nature and existence of the Nation itself.

Mr. President, I believe the Founding Fathers considered it basic to the scheme of government that they created for all U.S. citizens to enjoy a representative form of government with national officers, who will be as responsive as possible directly to the people.

So we have a situation in America where some 700,000 citizens do not possess the most cherished of political rights, full voting representation.

We know that District residents have borne the same responsibility as other U.S. citizens, when their country called upon them to serve in time of war. We know that during the Vietnam war, for example, District of Columbia casualties ranked fourth, on a proportionate basis, out of the 50 States.

The District residents died and bled for their country. Now they are seeking the chance to vote and be represented in it.

What other avenue can they turn to, except the amendment route? Retrocession is not in the cards.

It is true the territory originally given by the State of Virginia, which formed one-third of the District, was returned to Virginia by Congress in 1846. But the preamble to the Statute of 1846 explains that the Federal Government has not used the Virginia portion of the District and, at that time, it was believed that the Government would probably never need it.

The preamble to the 1846 retrocession also mentioned that the Virginia Legislature had enacted legislation accepting the return of the territory.

Unlike that situation, the Maryland Legislature has never accepted or asked for retrocession. There is no realistic possibility that Maryland would accept such an arrangement, if Congress should attempt it.

Moreover, Mr. President, it must be remembered that the District has not been a part of Maryland since 1788. It has become a separate political community in its own right, with interests and historical traditions, apart from Maryland.

Mr. President, it is interesting to compare how other nations have handled this question. Curiously only two, the United States and Brazil with its new Federal City, deny representation for the residents of their capital cities. Even those countries whose capital cities are federal districts, like ours, allow the residents to vote for representatives in the national legislature.

For example, in our sister nation to the south, the people in Mexico City directly elect two Senators, just as the 31 states do. The Federal District of Mexico also elects a number of national deputies based on population of the area.

These considerations should be evaluated by the people across the Nation. The American people in each of the several States should hear the arguments and weight the merits of granting full voting representation to District residents.

The question of whether the United States will continue to stand alone with Brazil in the world, in failing to provide representation for citizens of the capital city in the National Legislature, is not a matter that we alone in the Congress should decide with finality.

It is at least deserving of consideration by all the people. After all, their repre-

sentatives in the State Legislatures are more directly tied to the people than we are.

Why not let them choose? Let the will of the people, and the educated wisdom of the people, have a chance for expression. This would put the subject where I believe the Constitution intended it to be.

I yield the floor and I thank the Senator.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, I yield either to Mr. THURMOND or to Mr. STENNIS, whoever wishes to go first.

I yield 4 minutes to Mr. THURMOND, by unanimous consent.

Mr. THURMOND. Mr. President, I am a cosponsor of Senate Joint Resolution 50 which proposes a constitutional amendment requiring a balanced Federal budget. I have for many years advocated such a constitutional restraint to insure an end to our tremendous Federal deficit. In addition, I am proud to report that South Carolina is among the 22 States that have called for a constitutional convention to propose a balanced budget amendment to the Constitution.

However, Mr. President, I intend to vote against the pending substitute amendment. Because of my support of other measures requiring a balanced Federal budget, my vote is not based on the merits of the substitute amendment but for other reasons.

The present proposal concerns one issue—the full congressional representation of the people of the District of Columbia. If this measure is successful here it will be sent to the States in accordance with the Constitution for their debates and either raificaion or rejection within 7 years. To substitute another issue totally different to this puts at least one of them in jeopardy. Since I support the merits of both the pending proposal as well as the substitute amendment requiring a balanced budget, I would not want to see either defeated.

If this amendment is adopted, it would deprive a State from acting on the original amendment. This is unfair to those who favor a balanced Federal budget as well as those supporting full representation for the District of Columbia.

These issues deserve full consideration by the Congress and the States in their own right. To burden either by substituting one for the other will not help the chances of either but ultimately endanger both.

Consequently, Mr. President, although I support the merits of the Curtis amendment and will do all I can to bring this issue to the Senate for consideration, I will vote against substituting it for the pending proposal. I intend to do the same on other amendments encompassing issues I support, but which would unreasonably burden not only the pending proposal but deny the opportunity of appropriate consideration of other worthwhile issues.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from South Carolina.

Before yielding to Mr. STENNIS, I ask unanimous consent that it be in order to order the yeas and nays on my motion to table, which I will make shortly.

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

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on that motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, that vote will occur as soon as Mr. STENNIS concludes his speech, and I would suggest that the cloakrooms so alert Senators.

I yield to the distinguished Senator from Mississippi without losing my right to the floor.

Mr. STENNIS. Mr. President, I thank the Senator very much.

Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. I understand that the Curtis amendment is offered as a substitute for the so-called District of Columbia Voting Rights Resolution?

The PRESIDING OFFICER. The Senator is correct.

Mr. STENNIS. Well, Mr. President, I have joined the Senator from Nebraska as a coauthor of the proposed amendment regarding the balancing of the budget. But I know full well that this is a matter that cannot be done merely by talk. It cannot be done quickly under any circumstances but as a long, drawn out process.

I believe though that we are becoming more and more convinced it is necessary, and this proposal will certainly put the people in the process of this decision. I am satisfied results are not going to be obtained unless they are included.

Another thing: I am further satisfied that with the hundreds of boards throughout the Nation that have the legal authority to impose taxes, including county boards, units smaller than counties, including city boards, town, city and village, including State legislatures, including the National Congress, with all those authorities having the power to impose taxes on the people, there has got to be a reordering, a change, and ceiling limitations that in some way apply.

That is why I think it could be done and must be done rather than just a proposition 13-type of improvement. Put a ceiling on the taxes these boards can impose either by a money figure or by a millage ceiling or something that is applicable. and that will all cause a reordering of the priorities from top to bottom throughout this Nation as to what is going to be included with respect to public funds by imposing taxes on the people.

Until we go to thinking more and finding solutions and making headway I believe we are headed for more serious trouble.

So I strongly support this amendment on its merits. Due to the parliamentary situation, where it cannot be called up otherwise on the floor, I will vote for the Curtis amendment today.

I thank the Senator very much for yielding.

Mr. ROBERT C. BYRD. The Senator is welcome.

I yield to the distinguished Senator from North Carolina (Mr. HELMS) without losing my right to the floor.

Mr. HELMS. I thank the distinguished majority leader.

Mr. President, I, too, support this amendment to give States a chance to ratify the question of a constitutional amendment to require a balanced Federal budget.

Mr. President, I believe it is not only wrong for the Federal Government to spend more than it takes in in a given fiscal year, I believe that it is demonstrably destructive to the economy, and ultimately to our society.

For this reason, I support this proposal to require a balanced budget. I have advanced similar proposals throughout my tenure in the Senate. We must have a change from the present run of deficit after deficit. Action by the Senate to endorse this amendment would point the Federal Government in the direction of a balanced budget.

I believe it can be shown that the "cost" to the Nation in terms of economic dislocation and the disruption caused by the effects of Federal deficits is massive. It is not, however, as easily quantifiable as the obvious changes that would be required by the needed, significant shift away from a $60 billion annual deficit.

I am aware of some of the arguments against a change toward a balanced budget.

We are told that people demand that Congress spend and spend. But, our first priority should be the determination of a figure within which we work. That figure should not be one that allows a massive addition to the Federal debt.

Now, a related argument would be that any balanced budget would require massive cuts in various programs or massive increases in taxes. The advocates of the resolution before the Senate might ask which program or programs might I wish to name as candidates for any particular budget cut.

My response is this: The debate should not now be on which programs to cut or which taxes to raise. The debate should be whether or not we are going to continue down this path of massive deficits. That must be the first question.

If the Federal Government is going to spend $500 billion or more next year, the question is how is it going to be financed: Honestly, through taxes or surreptitiously, through borrowing and inflation?

Finally, the argument is that any move to balance the budget would have adverse economic effects. I admit that it is impossible to wean a calf in a day. It is impossible to change massive allocations of resources instantly without great cost. But, in fact, great costs are imposed by deficit spending every day and every year we continue to spend profligately.

What the proponents of the status quo do not discuss are the salutary effects

a balanced budget would have on our economy. With less Government demands in the capital market, interest rates would go down and it would be cheaper for businesses to make investments in job-creating plant and machinery.

With a balanced budget, lower interest rates could be expected on mortgages and more people would enter the housing market.

With a balanced budget, the inflation rate would decline and added incentives would be given for savings and investment, further stimulating the economy. A lower inflation rate and a balanced budget would give the businessman a reason to believe that Government was going to cause less dislocation and disruption in the economy. That alone would have the effect of creating confidence enough for investment resulting in added hundreds of thousands of jobs. Such a commitment would result in higher levels of economic activity which in itself would create added Federal revenues.

The stagnant economy cannot provide for the improvement in the status of those who most desire economic success. It cannot provide the tax revenues to pay for the programs Congress has already authorized, let alone ones in the minds and on the drawing boards of some of those in Congress.

Only a growing economy can provide the society we want. Only a balanced budget—and proper tax policies—can provide an atmosphere in which the economy can approach the rate of growth of which it is capable.

Mr. President, it is a grave error for Congress to ever intentionally and consciously adopt spending and taxing programs that result in a Federal deficit. Even in times of grave national emergencies, there is reason to say that budget deficits are not justifiable. I think that there may be cases in times of war that the Federal Government would do the extreme—would spend more than it takes in.

Inevitably, however, a deficit is not just a means of financing Federal spending. A Federal deficit is a prevarication to the people for whom Government exists. It is a statement that the people are going to get more Government than they are paying for: that Government will provide the proverbial free lunch.

That even the powerful Federal Government can accomplish the miracle of loaves and fishes is just not true. In any economy or any system, there is just so much output. Government consumes such output of that economy as represented by total Federal outlays. Whether or not it taxes people to pay for those outlays, it consumes them. Last year it consumed 22.7 percent of the Nation's GNP. Whether or not taxes pay for that consumption, it is consumed.

The Federal "take" is there regardless of the means of financing it. When there is a deficit, it means that instead of taxes—instead of things lawmakers vote on—the money is raised through borrowing. The $60 billion proposed deficit in the coming year would be paid for by borrowing from people who would otherwise be spending that money themselves, or who would be lending it to others in the private sector to do what they—free individuals—would do with those funds.

But it is not just the duplicity of refusing to tax for spending that deeply disturbs me, it is the effects of Federal borrowing. It is inflation. It is a tax that no Member of Congress would support, and yet the majority of Congress forces it down the throats of the American people via massive deficit spending.

The inevitable takes place like this: The Treasury acts as Congress agent and must raise the difference between income and outlays by selling securities. The private market reacts by increases in the interest rate brought about by added competition from Treasury securities. The Federal Reserve Board comes under pressure by those who feel that higher interest rates are a result of too small a money supply, and usually the Federal Reserve Board relents. It buys the Treasury securities and thus adds to the reserves of its members. It effectively increases the money supply by this act by making member banks more able to make loans. The money supply is increased above and beyond the normal needs of the economy, and inflation results.

Too much money chasing too few goods is inflation. It is a direct result of Federal money creation. It is a direct result of deficit spending.

And for a moment let me mention the effects of inflation. Let me reiterate what should be common knowledge in the press, in the universities, and in all centers of policymaking.

Inflation is a means of transferring resources from one party to another. In the case of the biggest debtor in the world, the Federal Government, it is a case of transferring resources from the holders of the Federal debt to the Federal Government.

For example, on August 1, the Federal debt stood at $748,010,290,486.58. Inflation means that the amount of goods and services represented by that many dollars is constantly declining. It means that every year we have 6 percent inflation, the Federal Government rips off $44 billion! It means that the holders of savings bonds, the pension funds with Treasury securities, the college endowments holding Federal securities are "taxed" through inflation of tens of billions of dollars.

John Davenport, former associate editor of Fortune magazine put it this way. Inflation is equivalent of a huge income tax no legislature would ever pass. If a person invested $100 in a savings account and was promised 5 percent interest, the income on that $100 investment would be $5. But, inflation at 6 percent per year takes away $6 of purchasing power every year from that $100 investment. In other words, the "tax" of inflation is greater than the income. In fact, the income is being "taxed" at 120 percent per year. And, in face of this we wonder why savings and investment is down. We wonder why job-creating capital is hard to come by and why mortgages are scarce.

The impact of inflation on the elderly in our Nation alone should make every political office holder give his vote and his every action—not just lip service—to fighting inflation and to a balanced budget. It makes the savings and pensions of the elderly inadequate. It makes the elderly dependent on relatives, or worse, on welfare. Inflation hits hardest at those least able to afford it.

Inflation is a great disruptor in other ways, but it nonetheless is both the stealthiest tax and the most unfair.

For Congress to talk about inflation and decry its dangers and then adopt massive spending programs is the worst form of double dealing. It is simply wrong to say that inflation can be curbed when the Government spends $50 or $60 billion more than it takes in.

Mr. President, this is fact. It is not a matter serious men should have to debate any longer. Can anyone, at this late day, with any confidence at all, say that inflation is not inevitable given massive budget deficits?

It is time that Congress admit the truth. Inflation is not caused by coal strike settlements. Inflation is not caused by oil price increases. Inflation is not caused by automobile price increases. Inflation is caused by Government: our Government.

Inflation is not a line item in anyone's annual budget, but perhaps it should be. Unfortunately, the inflation caused by 1 year's budget deficit does not hit in the year Congress approves inflation-causing spending. It hits 18 months or so after the debt is incurred.

Because it is not directly related in time, it has been a convenient if objectionable way of paying for spending programs.

I believe, however, that the American people are now coming to the conclusion that inflation is a direct result of Government mismanagement of its financial affairs. The great majority of Americans consider inflation to be our major economic problem. In fact, even liberal economists like Arthur Okun are now coming to the conclusion that for years the adverse effects of inflation have been underestimated.

As I mentioned, a strict, harsh approach to this problem would be a balanced budget in the next year. Unfortunately, Government has acquired too many dependents of various kinds and it would be harmful to the economy and to the lives of many thousands of individuals to change overnight. I believe that change away from the ultimately destructive path of action today to endorse a constitutional amendment to require a balanced budget would start that process. As States ratify such an amendment, it would provide time for Congress to move toward an honest, balanced budget. That would put some backbone into the congressional budget process, and would lay the groundwork for a truly balanced budget that would be required once this amendment is approved.

I thank the distinguished majority leader for yielding to me.

● Mr. DOLE. Mr. President, the Senator from Kansas is a strong supporter of the

constitutional amendment proposed by the distinguished Senator from Nebraska. As a cosponsor of that amendment, I share his concern and compliment him for leading the fight against deficit spending.

Two of our Nation's greatest problems are high inflation and the declining value of the dollar abroad. Both are directly related to the tendency of Congress to overspend. For this reason, we need a balanced budget amendment.

No doubt, if the full Senate had followed the lead of the Senator from Nebraska more often, we would not have such a serious inflation problem today. Through this constitutional amendment, and through his votes on spending bills over the years, he has set an example of fiscal responsibility that should be the envy of the entire Senate.

He knows that no nation can sustain burgeoning Federal deficits without facing up to the enormous costs of inflation. For this reason, it is good that my colleague continues to bring this matter to the attention of the Senate. Unfortunately, the Senate has given this problem too little attention in the past.

However, I cannot vote for this substitute today. While I strongly endorse its substance, I do not support substituting it for the District of Columbia voting rights amendment. In my view, we should not dispose of the District of Columbia matter in this way.

However, I assure my colleague that I will continue to support a balanced budget as a Member of the Senate in the future.●

Mr. ROBERT C. BYRD. Mr. President, I now move that the amendment by Mr. CURTIS be laid on the table. The yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment (No. 1756) of the Senator from Nebraska (Mr. CURTIS). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CULVER), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Oregon (Mr. MARK O. HATFIELD), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. MARK O. HATFIELD) would vote "yea."

The result was announced—yeas 68, nays 22, as follows:

[Rollcall Vote No. 328 Leg.]

YEAS—68

Anderson	Byrd, Robert C.	Clark
Bayh	Cannon	Cranston
Bellmon	Case	Danforth
Bentsen	Chafee	DeConcini
Bumpers	Chiles	Dole
Burdick	Church	Domenici
Durkin	Jackson	Pell
Eagleton	Javits	Percy
Ford	Kennedy	Randolph
Glenn	Laxalt	Ribicoff
Gravel	Leahy	Riegle
Griffin	Magnuson	Roth
Hart	Mathias	Sarbanes
Haskell	Matsunaga	Sasser
Hatfield, Paul G.	McGovern	Schweiker
Hathaway	McIntyre	Sparkman
Heinz	Melcher	Stafford
Hodges	Metzenbaum	Stevenson
Hollings	Morgan	Stone
Huddleston	Moynihan	Thurmond
Humphrey	Muskie	Wallop
Inouye	Nelson	Weicker
	Packwood	Williams

NAYS—22

Allen	Hatch	Scott
Bartlett	Hayakawa	Stennis
Byrd, Harry F., Jr.	Helms	Stevens
Curtis	Lugar	Talmadge
Garn	McClure	Tower
Goldwater	Nunn	Young
Hansen	Proxmire	Zorinsky
	Schmitt	

NOT VOTING—10

Abourezk	Culver	Johnston
Baker	Eastland	Long
Biden	Hatfield, Mark O.	Pearson
Brooke		

So the motion to lay on the table amendment No. 1756 was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1664

(Purpose: To permit D.C. representation in the House and Senate as if a part of Maryland)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 1664.

Mr. MELCHER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within 9 years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. For purposes of representation in the House of Representatives, the District constituting the seat of government of the United States shall be treated as though it were part of the State of Maryland. For purposes of representation in the Senate, the District constituting the seat of government of the United States shall be treated as though it were part of the State of Maryland.

"SEC. 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

"SEC. 3. The twenty-third article of amendment to the Constitution of the United States is amended by striking out ', but in no event more than the least populous State'.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 5. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within nine years from the date of its submission.".

Mr. MELCHER. Mr. President, I will get into a discusion of the details of the amendment shortly. First, I want to point out to my colleagues that I do not believe this desire to have direct representation within the Senate from a city originated with the District. We have in Montana what is known as Butte, U.S.A. It happens to be surrounded by the State of Montana. The Butte people have long known that their leaders in all matters treat themselves as something unique. That is why it is Butte, U.S.A.

Butte is often thought to be led by the true Irish, the Irish that avoided Boston and reached Butte, the true homeland. It is a kind of situation where those true Irishmen are known by their true names, such as Tuck McGree, Gub Shea, Heavy Fitzpatrick, and Deepe Fitzpatrick. Those are their true names. Only their mothers, their wives, their children, their bankers, and their very closest friends have ever heard the names assigned to them at the time of christening.

In the phonebook of Butte, it is like having an unlisted number. Unless you put your nickname in there, your true name, you cannot find, among 88 Sheas, which one is Gub Shea. If they list in the yellow pages, they list by their real name for instance—Tuck McGree. I know Tuck very well. I have never heard of any other name assigned to him, other than "Tuck."

I bring this up because those people in Butte have long thought, because of their uniqueness, that they could and should have direct representation from there in the Senate, and they were quite well satisfied with people like Senator Walsh, Senator Murray, Senator Mansfield, and Senator Wheeler all residents of Butte, temporarily serving Butte in the Senate. And the people of Butte adopted Senator Metcalf as one of their own even if his residency never was blessed with Butte. But times have changed now and where is their direct Senate representation?

It is not just the Irish that are unique in Butte. There are Finns, there are Italians, Serbs, Croatians, Turks, Scots, English, French, Germans, and Scandinavians. One thing they all agree on is that Butte, U.S.A. is unique, it is separate, it is individual. They like Montana and they are glad to be in the middle of Montana, completely surrounded by Montana. But they are different. Their pride of Butte stems from their feeling that Butte is special. Entitled to be Butte, U.S.A.

But, my colleagues, there is more to this than just being a very fine, very proud, very distinguished city. There is more to being a State than that. A State does not simply involve people. It does not simply involve urban areas. A State involves rural areas, it involves, in most cases, resources. In all cases, a State

involves industry of various types. So the representation that is reflected in the Senate based on statehood is a recognition that that representation in the Senate accounts for the diverse nature of this entire country in relationship not only to the people of that State but the relationship of the people in that State to the industries of their State, to their resources, to their land.

I think the District, in its uniqueness, the very core of this great metropolitan area, has been disserved in terms of their residence by the Constitution. I think there is a flaw in the Constitution, a flaw right from the beginning: that the framers of the Constitution carved out a tiny area and said those people who live there cannot have the right of franchise as if they were living in some other part of the United States. I think the residents of the District must have representation in Congress. I think they are entitled to it, and the fact that the Constitution is drafted in this sense, in my judgment incorrectly, does not mean it should be perpetuated. The amendment before us will correct it. It will correct it in every way. I have no criticism of correcting it in terms of direct representation in the House, just as is proposed in the amendment before us. I happen to agree that is right, and I have long supported that concept.

The House of Representatives is based on representation on one factor only, population of citizens within a certain area, and the whole country is carved up to arrive at equal representation based on population. So I agree with that presentation of the amendment regarding the House.

I have no quarrel with the way the amendment is presented as the treatment of the District as a State for the purposes of ratification of an amendment to the Constitution or for purposes of initiating an amendment to the Constitution for ratification. I have no quarrel with that, and it is presented to us in that way in House Joint Resolution 554. This has passed the House by a two-thirds margin.

The other part of the amendment passed in the House was to treat the District as if it were a State for purposes of electing Senators.

That I have some quarrel with.

The District is entirely different from a State. The District does not have rural areas. The District has no agriculture. The District has no land where there might be minerals. The District is not involved in mining of any mineral, coal, copper, et cetera. This District, of course, has no oil or gas as a resource.

I mention these few resources, these few industries, to illustrate that representation from the District does not correspond to representation from a State, all of which have some types of industry, some types of agriculture. Many States have some type of mining.

We could go on for a long time on what many of the States have in common. Agriculture alone, I believe, is shared as an industry in all of the 50 States.

But I make this point because it leads me to this question of representation in the Senate. We represent people of our State here, in the Senate. We also represent States here, in the Senate. When we represent the States, we represent the interests of the people that are involved; for instance, in agriculture. We represent the interests of the people that, in my case and in many other States of the 50, are interested in forests, and in lumber production. We represent, in all instances, I believe, in all the 50 States, the question of rural concerns. There are differences, we learn, between rural and urban concerns when we face the issues that confront us.

Does the difference of adding two more Senators to the Senate mean anything? It could. It could in terms of the outcome of a vote. I want quickly to mention that in an amendment to strike the formula for distributing funds for community development to rural areas," the yeas were 43 and the nays were 45, a difference of 2.

Representing constituencies does make a difference on votes. Here is another example: On a question of a tight vote on whether or not we were going to require that eastern coal to be used in the East, even though it was high sulfur, and the proposal is that we could not use western coal that was low sulfur, the vote was 45 to 44.

In an energy amendment involving coal again, we had a vote, 42 to 44.

Senators are quite often voting exactly and precisely on what happens to their constituency.

There is a difference, often, in a tight vote where one or two votes determines the outcome.

To me, the basic issue before us is so fundamental that I want to place it higher than any other consideration. That fundamental consideration is: Can a citizen of this country be denied all of the representation in the legislative process, all of the rights inherent in the Constitution in that legislative process, simply because that citizen lives in a certain area?

That is the fundamental question.

I come down emphatically with an answer of "No," a citizen cannot be denied that fundamental right.

Having made that fundamental decision, and one that I think is a moral decision, a matter of conscience, it becomes imperative then to offer as a corrective amendment a substitute of House Joint Resolution 554, and that is the substitute I have called up.

It leaves intact the process under House Joint Resolution 554 for direct representation of the District in the House of Representatives based on population and treating it for that purpose as if it were a State.

That means it gets two Representatives in the House. I think that is proper.

My substitute leaves intact, as it is in House Joint Resolution 554, the opportunity for the residents of the District to participate in the function of ratification or initiating amendments to the Constitution as if they were a State.

So the residents have that full right granted.

For purposes of the Senate, my substitute states that the residents of the District will be considered as though they were residents of Maryland.

Part of the District, on the Virginia side of the Potomac, in the original District of Columbia, has already gone to Virginia in every way.

It has gone to Virginia in terms of being a part of the State, being subject to Virginia taxes, containing residents of Virginia and, of course, since that time the voting rights that applied to the citizens of Virginia, or to the citizens of any other State in the Union, applied to the residents there.

We are only dealing with the District of Columbia that is on this side of the Potomac, and still the District of Columbia.

The situation has often been talked about, "Well, why not let it go back to Maryland, retrocede, let the land and everything go back to Maryland?"

That is not attractive to the residents of the District. It has not been attractive to the State of Maryland and has never been attractive to Congress. There are problems with that.

I will not permit that problem, however, to infringe on the rights of the residents of the District to still have their right to vote for Senators to represent them here.

The area came from Maryland. It is not practical to just say, "Move it all back into Maryland."

It is fundamentally just that we give the residents in the District that opportunity to vote for Senators as if they were residents of Maryland.

Why is this better? Why is this better than the way House Joint Resolution 554 passed the House?

Well, I believe it is better because it corrects a problem that was created when the Constitution was drafted.

In my judgment, the resident of the District should never have been disenfranchised.

If the drafters of the Constitution had avoided that error, I believe this is exactly the way they would have drafted the Constitution to begin with, because it is the only practical way to draft it.

Since they did not do it, I believe it should be corrected in that manner now.

Are the rights of an individual resident of the District abused in this process? I hardly think so, and I do not know on what basis they would be.

It might be said, for instance, "Well, we will be voting here for our own House Members, but what influence would we have in the election of the two Senators from Maryland?"

My answer is simply that they will have just as much influence in the election of the two Senators from Maryland as any other individual voting in the entire State of Maryland. They will have just as much influence in voting for Senators as anybody else does with their single vote in a comparable State, with a comparable population.

I am sure the people of Butte would agree with me that doing it this way they have just as much influence in the election of the Senators they are voting for as do the people of Butte in electing the Senators of Montana. I think they will find all their rights preserved as they should have been preserved from the time that the Constitution was first drafted.

(Mr. NUNN assumed the chair.)

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

Mr. MELCHER. I yield.

Mr. SCOTT. Mr. President, I thank the distinguished Senator for yielding. I will not infringe unduly on his time.

I support this amendment. We have heard the statement made that the people who are opposing the proposed constitutional amendment, as introduced, are opposing it because the people of the District of Columbia are too black, they are too liberal, they are too Democratic, they are too urban.

If the amendment of the distinguished Senator from Montana were adopted, that would put the lie to this question. Everyone in the District of Columbia, regardless of their color, regardless of their political philosophy, regardless of their party, and regardless of the fact that they live in a city, would have the right to vote.

To me, this is a false issue to be raised; because when the Constitutional Convention was held in 1787, blacks were not even considered people. They were property at the time, so that was not a consideration. We did not have, as I understand it, the political spectrum of the liberal and conservatives such as we have today. We did not have political parties such as we have today. We did not have an urban area.

When the Federal city concept was adopted, there was no such thing as being too black, too liberal, too Democratic, too urban. It was decided that we would have this Federal city so that we would be free to legislate in a climate free of pressures of all kinds. That is what the Founding Fathers had in mind. In the Federalist Papers, No. 43, Madison referred to the fact that over the years there would be an increase in population and the area would become more urban, and that, in his judgment, would increase the need for us to be able to legislate in a free environment.

I merely rise to commend the distinguished Senator for offering a feasible alternative, whereby such allegations as this can be made absurd.

I thank the distinguished Senator from Montana for yielding.

Mr. MELCHER. I thank the Senator from Virginia. I do know that in the description of opposition to the amendment as presented, we find the opponents listed as sharing one or more of those four categories.

However, let me address that. I have not, in my lifetime, found an area that was too Democratic to suit me.

Mr. SCOTT. I have not found an area too Republican to suit me.

Mr. MELCHER. If we want to reduce it, not to the fundamental question of the right to vote for representation in Congress, but reduce it to the practical speculation as to who might be elected—if that were the only question—I would think that every last one of the voters on this side of the aisle would be for reserving the right for the District to elect two Senators of their own, assuming that they both would be Democrats. I suppose if that were the only issue, every last one on the Republican side would vote against it. But that is not the issue. That is not the issue at all.

A constitutional amendment is something we are involved in, and it lasts for the lifetime of our country under our Constitution. I do not believe that the support or the opposition to this proposal is based on a political issue.

I have mentioned that in my previous remarks about the difference of an entirely urban area, as contrasted with States that have not only urban but also rural areas. Of course, there is a difference in representation. There is a difference in your view if you represent your constituents on some of the bills and amendments on which we vote. But I do not believe that is a fundamental issue, either. Neither is there a racist issue involved here.

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

Mr. MELCHER. I am delighted to yield.

Mr. HELMS. Mr. President, it occurs to me that the distinguished Senator from Montana has advanced the only proposal that is likely of ratification; because if Senators feel that the ERA battle across the country is heated, they will find that the ERA matter is a cakewalk compared to the constitutional amendment that has been proposed.

The Senator has offered a substitute which will provide representation for the District of Columbia. I favor representation for the people of the District of Columbia, but I do not favor the original proposal here.

The Senator has offered a sensible alternative. If Senators are sincere about wishing to afford the people of the District of Columbia representation, then they will support the substitute of the distinguished Senator from Montana, and I commend him for offering it.

So, again I say, I strongly support the amendment offered by the distinguished Senator from Montana. Indeed, I would think that any Senator who is truly worried about the civil rights of the residents of the District of Columbia would be an enthusiastic supporter of this amendment.

If we examine House Joint Resolution 554, we can see that it is deeply flawed in concept and execution. House Joint Resolution 554 as it stands distorts the meaning and purpose of Senate representation. In fact, it dilutes the guarantee of article V of the Constitution, which is supposed to protect the "equal suffrage" of each State in the Senate. For it is obvious that if 50 States have equal representation, the addition of two more votes which do not represent a State cheapens the representation and dignity of the States themselves. Indeed, article V says specifically that "no State, without its consent, shall be deprived of its equal suffrage in the Senate," as a result of the amendment process.

This being the case, the prospects of this amendment as it stands ever being approved is remote. In the first place, I doubt very much that three-fourths of the States would approve the dilution of their constitutional rights. We could well end up in another ERA situation. We would have the proponents of the amendment back here in 6 or 7 years asking for an extension, and the process would drag on in agony.

In the second place, even if the amendment were approved, any single State could well challenge the constitutionality of the process in the Supreme Court. For article V says, "No State, without its consent, shall be deprived. * * *" If even one State withholds its consent it would have grounds to challenge the adoption of the amendment.

So the constitutional ramifications of this amendment are so complicated, so unjust, that I see very little chance that it would ever be ratified.

Mr. President, it is very clear to the Senator from North Carolina, therefore, that anyone who is sincere about the voting rights of the residents of the District of Columbia must back the Melcher amendment. It is the intelligent and feasible alternative to the radical and unwise proposal before us.

The Melcher amendment would, for the first time, give full representation in the House of Representatives to people of the District of Columbia.

Furthermore, it would give senatorial representation to the people of the District by allowing them to vote in the State of Maryland for senatorial candidates. But more important, it would not dilute the representation of the 50 States by giving representation to an entity that is not a State. No State could claim under article V of the U.S. Constitution that its right to equal suffrage was diluted. Nor would precedents be set for further dilution by granting representation in the Senate to the Virgin Islands, or Guam.

In addition, the Melcher amendment would make it possible for the District of Columbia to become truly self-governing with respect to these rights and powers.

Finally, it bases the District's vote in the electoral college upon population, based upon the number of Congressmen.

It is plain, therefore, that the distinguished Senator's amendment will go much farther to restore civil rights to the people of the District of Columbia than the original proposal laid before us.

Where are the Senators who are so worried about the civil rights of District of Columbia residents?

Why are they not rushing forward to support the substitute of the Senator from Montana?

Why do they not support a proposal that can reasonably expect to be ratified? Why do they support the preposterous idea that entities that are not States are entitled to the privileges of States?

Mr. President, we must remember that there is a fundamental difference between the Senate and the House of Repsentatives. The Senate represents States; the House represents citizens. To destroy this distinction is to destroy the very theory of our constitutional system.

The Melcher plan preserves this important distinction. It gives the citizens of the District representation in the House proportionate to their number; it gives them full representation in the

Senate without destroying the very nature of the Senate.

Mr. President, I would also point out that it is not true that the citizens of the District of Columbia support House Joint Resolution 554 and the distortion of our constitutional system. Today I have received a memorial from the District of Columbia Federation of Citizens Associations — the largest organized group of citizens in the District, represeting 24 different citizens groups. They are strongly opposed to House Joint Resolution 554.

Mr. President, I ask unanimous consent that this statement be printed in the RECORD at the conclusion of my remarks.

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

STATEMENT TO THE SENATE OF THE UNITED STATES OPPOSING SENATE JOINT RESOLUTION 65 TO AMEND THE CONSTITUTION TO PROVIDE DISTRICT OF COLUMBIA REPRESENTATION IN THE SENATE AND THE HOUSE OF REPRESENTATIVES "AS IF" IT WERE A STATE

The Federation of Citizens Associations of the District of Columbia, organized in 1910 and representing 24 citizens groups, has resolved in regular meeting to oppose SJ Resolution 65, or other similar resolutions, to amend the Constitution of the United States in order to provide for District of Columbia representation in the Senate and the House of Representatives "as if" the District of Columbia were a State.

The Federation's decision followed deliberation of the likely proximate and ultimate consequences, including the judicial and political which would issue, particularly the diminution of the status, prerogatives, functions and rights of the Senate itself.

The Federation is especially sensitive to the Senate's role because the Constitution itself distinguishes that body as the representative of the individual States, which have yielded part of their own sovereignty to the Federal government, and empowers the Senate to participate collegially in several functions of the Presidency.

The Federation took further cognizance of the potential transformation in the internal operations and dynamics within the Senate, particularly since the two Senators who would be seated from the District of Columbia would be dependent primarily on the votes of Federal and D.C. government employees who are most likely to be responsive to the wishes of their employer, the Executive Branch, than other citizens who are not so employed.

The Federation's opposition can be summarized under the following six general headings:

1. Philosophical, particularly the epistemology of "as if" concepts as they relate to fact and to law and to judicial processes;

2. Constitutional—primarily the impact on the distinctiveness of the Senate as the collegial body sharing in the powers of the Presidency, especially under Article I, Section 3 and Article II, Sections 2 and 4 of the Constitution;

3. Political—the transformation of the internal dynamic of the Senate as the result of the role which the two Senators from the District of Columbia would have, based on a constituency composed primarily of Federal and D.C. employees, particularly subject to the wishes and goals of the Executive Branch and massively centralized to political activity and lobbying in the nation's capital;

4. The precedent for other constitutional amendments based on "as if" concepts, including but not limited to aspirations of other municipalities and geographic areas to have senatorial representation "as if" they were states, circumambient of the provisions of Article IV, Section 3 of the Constitution;

5. The further dissipation of the meaning of the provision of Article I, Section 7 of the Constitution relating to the "exercise of exclusive Legislation in all Cases whatsoever," over the District of Columbia;

6. The growth of the legislative bureaucracy and its attendant costs, together with the further growth of fiscal indebtedness of the District of Columbia.

In reviewing these matters, the Federation perceived some differences between providing District of Columbia representatives only in the House of Representatives and providing representation in the Senate as well. Consequently, there was somewhat lesser concern among several delegates with the possible consequences of representation in the House alone. There was, however, a consensus of opposition to representation in the Senate for the reasons summarized above and elaborated hereunder.

PHILOSOPHICAL, PARTICULARLY THE EPISTEMOLOGY OF "AS IF" AS IT RELATES TO FACT, LEGISLATION, LAW AND JUDICIAL PROCESS

The Federation is appalled at the growing deterioration in intellectual, scientific and legal theory, progressively substituting "as if" subjectivistic criteria for objective standards. Having just lived through the confusions and problems of the Panama Canal Treaty debate, with its own unfortuate "as if" sovereignty phrase, the Federation opposes any further adulteration of the intellectual clarity of political discourse and of legal concepts. If it is the desire of the proponents of SJ Resolution 65 to grant the District of Columbia the status of a state, their resolution should be formulated explicitly in those terms. We find it most disheartening that so many advocates of Constitutional or legal reform increasingly resort to devious and indirect terminology to achieve their goals and are prepared to diminish, and even to nullify, rational thought to achieve their ends. Under the rubric "as if", the salutary pragmatism, based on reality, which has characterized American political life and legal theory is being replaced by a subjectivism, no longer pragmatic but largely voluntarist. We fear that in the future politicial and social conditions will be determined largely by what we pretend, ideologically, rather than by the past sensible accommodation between objective fact and subjective preference.

CONSTITUTIONAL—PRIMARILY THE IMPACT ON THE DISTINCTIVENESS OF THE SENATE AS THE COLLEGIAL BODY SHARING THE POWERS OF THE PRESIDENCY; POLITICAL—TRANSFORMATION OF SENATE DYNAMICS

In a sense, any constitutional amendment, if passed by the amendment process, is obviously constitutional. In another sense, however, certain amendments can complicate, or intrude on, the continuance of the clear meaning of earlier amendments. We perceive SJ 65 as having this unintended pernicious impact, because it casts a shadow on the meaning and significance of certain Senatorial collegial powers in Executive Branch activities as representatives of their formerly sovereign states.

The rise in the "imperial Presidency" has been fostered significantly by the diminishing role of Senatorial influence on the Executive Branch in the areas where the Senate has condominial rights. Most significantly these relate to foreign and military matters, particularly in the areas of so-called executive international agreements which are increasingly replacing formal treaty-making functions obviously requiring Senatorial ratification. There are, however, other matters where the Senate's role has also diminished, as a result of the growth of a massive Executive Branch, under Article I, Section 3, and Article II, Sections 2 and 4. Without elaborating, we believe that the election of two Senators from a territory not a state but construed to have a status "as if" a State will further dilute the rights of the Senate as provided by the framers of the Constitution. We assume that the Hatch Act will be repealed sometime in the near future and, considering the growing desire of the White House to assume more direct political control over the personnel of the Federal and D.C. bureaucracy, which number in the hundreds of thousands resident in the immediate area, we fear that the Congress, particularly the Senate with its far fewer numbers, will come under increasing pressure to act as the tool of the Executive Branch rather than as the representative of the people of the 50 United States. We believe this will make it even more difficult than now for the Senate to discharge its own Constitutional functions, particularly in the sensitive area of foreign policy.

Given this situation, we believe that the Federal courts, particularly the Supreme Court, may have to review the significance of the "as if" phrase and may become involved in Constitutional judgments and issues which now are immune from its jurisdiction. This would further erode the powers of the Senate, as well as the House, in the formulation of legislation and increasingly wide areas of public policy may be subjected to indirect legislation by the judicial branch.

Thus the prospect of the growth of the imperial presidency and concurrently of the imperial judiciary, neither obviously intended by S.J. Resolution 65, is a matter of grave concern to our Federation and, we submit, should be examined fully by the Senate before it acts on this proposal.

We express these views because we are confident that in the near future the Hatch Act, limiting political activity of Federal employees, will be repealed. We are not necessarily fearful of this repeal, provided it is genuinely limited to providing an increase in individual political liberty and activity. However, should S.J. Resolution 65 also pass, we believe that the Executive Branch will be able to turn this yearning for greater political liberty on the part of Federal employees to its own improper political advantage, to the detriment of the rights of the Congress, particularly those of the Senate.

THE PRECEDENT AND TEMPTATION OF "AS IF" CONCEPTS TO OTHER MUNICIPALITIES

We must frankly confront the fact that certain partisan groups in the Congress and in the nation as a whole wish to have two more Senators because they believe it will shift the balance of power in certain directions which are now frustrated by the rules of the Senate, particularly on filibuster and cloture. We have already indicated that, whether these groups are fully aware of this possibility or not, the Executive Branch can also play a major role in enhancing its own power vis-a-vis the Senate to the ultimate cost of those groups which hope to profit most by this shift in power. Thus, we advocate prudence to all parties.

We have no quarrel, of course, with the legitimate political tactics used by partisan groups to achieve their ends within the general framework of the rules of clear political and Constitutional principles. However, we very much fear the "as if" issue as an illegitimate solution, particularly since it would permit the further erosion of the powers of the Senate as well as of State governments, should the Congress proffer to large cities the prospect of acquiring more Senators by circumventing Article IV, Section 3 of the Constitution through similar "as if" language. Under this precedent, the generally amicable relationships among the States and between them and the Federal Government could become changed to relationships of rivalry, suspicion and contention, introducing discord into areas where now there is relative peace and trust.

INCREASING BUREAUCRACY, INCREASING COSTS OF GOVERNMENT

Our Federation has noted an extraordinary growth in the costs of both the D.C. government and of the legislative branch in the last ten years. It appears to be more than coincidence that the employees of the Legislative Branch now number almost 40,000, and that appropriations for that Branch are approaching 1.3 Billion dollars. The employees of the District of Columbia also approximate 40,000 and the budget for the District is already 1.3 Billion dollars.

If we saw some necessary purpose to SJ Resolution 65, we would not object to additional costs and additional taxes. As we have reasoned heretofore, we see only dangers to having representation in the Senate of the United States. On this issue, there is consensus among us. We have found some sentiment in improving the role of representation in the House of Representatives but have not acted on that alternative since it is not on the agenda of the Congress at this time.

SUMMARY AND CONCLUSION

For the six reasons given in this statement, the Federation of Citizens Associations of the District of Columbia requests the Senate to reject SJ Resolution 65 as containing serious threats to the existing rights of the Senate of the United States.

The Federation instructs its President to communicate this statement to the Senate in time for inclusion in the deliberations of that body when this issue comes to the floor of the Senate.

(For the Federation.)

STEPHEN A. KOCZAK,
President.

Mr. MELCHER. I thank the Senator for his support.

Mr. President, I believe that the only issue that needs to be addressed is the central point—the basic right of every citizen to have just as much right and clout as any other citizen in this country in electing Members to both the House and the Senate.

I do not think it is necessary to state more than a few examples of how the right of the District to elect two Senators makes not just for clout but for superclout as well.

The District, with about as many people as reside in my State of Montana—not quite, but very close to the same number—would have constituent interest that is broad, in the sense of all the issues that affect individuals. The constituents, I am sure, would be just as interested in national solution, in terms of foreign policy, in terms of human rights, in terms of everything that affects us as citizens.

I do not present that as being something less important than the rest of the interests that I will mention now.

In my State of Montana, consider the diverse interests that my people, my constituency, have to be interested in, have to be involved in directly, have experience in, have input in. They send us letters or telegrams, or come in person, to tell us what their viewpoint is.

Timber, clean water, protection of wilderness, agriculture in all of its diverse forms, and our State has numerous forms of agriculture; cattle, sheep, wheat, barley, sugar beets, forest products. There are questions that they are directly involved in with management of the Federal land and there are questions involving coal.

The direct experience they have in terms of coal production, in terms of reclamation, where there is strip mining, does influence my vote, as it should.

The people of other States have different types of industry, different types of circumstances. Their constituents have many other facets of relationship to the Federal Government about which they come to their Senators to tell them their interests, their experiences, their complaints, and their recommendations.

It is on this basis that the District, the core of a vast metropolitan area, would not have the experience, would not have the interests in the same regard or in the same intensity or for the same purposes, as constituencies in the rest of the States.

And yet, Mr. President, I would not set aside the right of the District residents to have just as much influence in electing Senators as the residents in Virginia have or the residents in Maryland have.

The purpose of this substitute is to agree with all of the features of House Joint Resolution 554, except this one feature and to substitute in lieu of that the language that the residents of the District would be treated as though they were residents of Maryland for the purposes of voting for Senators.

Mr. President, I now yield the floor.

Mr. SARBANES. Mr. President, I have listened very closely to the Senator from Montana and I must say that I agree with that part of his statement in which he has underscored the unfairness, under our system of Government, that the people of the District of Columbia should be disenfranchised from having a vote in the Congress of the United States, both in the House of Representatives and in the Senate and I am pleased to see the emphasis he has placed upon that.

However, I disagree with his notion that for these purposes the District should be retrocessed to Maryland, this proposal is one which I think should be rejected by this body. I say this with enormous respect and affection for the residents of the District of Columbia; in fact, it is because of that respect and affection that I think they are entitled to two Senators of their own and whatever number of Congressmen the District would be accorded under its population. I believe the residents of the District of Columbia are entitled to their own Senators and Congressmen.

As a practical matter, you cannot have retrocession unless Maryland desires it. That is not the case in this instance. So you do not have a Virginia analogy, dating back more than 100 years to 1846, when the portion of the District across the river was retrocessed to Virginia.

Second, there is no connection of the District with Maryland to provide a basis for retrocession other than the original grant of the land back in the 18th century as part of forming the National Capital district. Beyond that connection it would make just as much sense to allow the residents of the District to vote in the elections for Senators in any other State in the Union. Might I suggest to the Senator from Montana perhaps in the State of Montana or perhaps we should amend his proposal to give the residents of the District a choice as to the State to which they wished to be attached for purposes of casting a vote for the U.S. Senate.

Mr. MELCHER. May I respond?

Mr. SARBANES, Surely.

Mr. MELCHER. As far As I am concerned as one citizen of Montana, if that were the only way that these people could have a vote, I would be delighted. But it is not a logical way. It is not a logical way at all in that these people are far removed from Montana and no ties to our area. It is not the way that it was before the framers of the Constitution denied them the right to vote. If they had not been denied that right, explicitly denied in the Constitution, which I hope the Senator from Maryland will agree was a mistake, it would be exactly the case that we are pointing out today, that they would be voting for the Senators from Maryland. Is that not correct?

Mr. SARBANES. The Senator's proposal is no more logical than the suggestion that these residents should join some other State for purposes of electing U.S. Senators. The fact of the matter is that the District has long been established as a separate jurisdiction. We come down to the very difficult question of how are its residents to be enfranchised for the purpose of participating in the making of national policy in the Congress of the United States, both the Senate, and the House of Representatives.

The proposal that has been passed by the House of Representatives and is pending before us, and to which the Senator has offered a substitute. addresses that problem directly by giving to the residents of the District of Columbia two U.S. Senators and whatever number of Congressmen is warranted by its population. The notion of retrocession and in this instance retrocession for the very limited, indeed the sole, purpose of Senate elections is not analogous with the Virginia situation carried out in 1846 which returned the territory for all purposes. This very limited retrocession proposal is. it seems to me. but a convenient way of blocking or seeking to divert our attention from the fundamental question of whether the residents of the District of Columbia are to be represented in the United States Senate. That is what the issue comes down to. To seek to link District residents to one State or another does not really answer that basic question.

Of course, that basic question goes to the part of the Senator's statement in which he spoke of not disenfranchising people gave testimony to what American democracy should be about. But the solution which the Senator has offered to the problem he has recognized is not an adequate or proper solution.

Mr. MELCHER. Will the Senator yield to me?

Mr. SARBANES. I yield.

Mr. MELCHER. I live in Prince Georges County.

Mr. SARBANES. We are pleased to have you live there. may I say, as one of Maryland's U.S. Senators. We regard it

an honor that the distinguished Senator should have chosen our State as his place of residence in the National Capital area.

Mr. MELCHER. And I thank the Senator for that remark, and we enjoy living there. In driving, for instance, on Branch Avenue it is extremely difficult for me to discern where the District ends and Prince Georges County in Maryland begins. If I am on Pennsylvania Avenue, it is extremely difficult for me to discern where the District line ends and Maryland begins. If I am on South Capitol Street, the same thing is true.

Every time a resident of the District moves across that line to become a part of Prince Georges County, of course, he has the opportunity of voting for the distinguished Senator now representing the State of Maryland and the other distinguished Senator from the State of Maryland. But as a practical matter, if they are going to vote in some State, to allow them to vote in the State where they not only adjoin but the State where they socialize, the State where they have common interests with Prince Georges County—that is the reason for designating Maryland as the place of voting.

Mr. SARBANES. Mr. President, the Senator's proposal, if it provided for complete retrocession, at least would have an internal logical consistency to it. There would be strong arguments against such a proposal, but at least if the proposition being put to us now was analogous to the Virginia situation in 1846, when the entire area was returned to the State, at the State's request and willing participation which it is very important to underscore; if that was the proposition it would have some logical consistency to it even if there are some strong arguments against such complete retrocession. If that were the proposal we would be considering interesting questions about the nature of the Federal City and the importance of Federal jurisdiction therein.

But that is not his proposal. If there ever was a multiheaded monster, this may be it. We have here no proposition for retrocession other than as it involves voting in the Senate. Why even as it involves voting in the Congress, the approach is bifurcated. In the House you are going to have one approach, which is to consider the District as a State from which will be elected Representatives to the House of Representatives, and to consider it in an entirely different way for purposes of representation in the Senate.

So even with respect to representation in the Congress of the United States the proposition offered by the Senator from Montana does not have a logical consistency, let alone with respect to all of the other aspects that are involved concerning jurisdiction over the territorial area of the District of Columbia.

I also ought to note that when the Congress considered the 23d amendment, in which the District of Columbia was brought into the Electoral College and its residents were given participation in voting in presidential elections, the District was given three electoral votes in its own right. That was the equivalent of two Senators plus one Congressman to which their population would have entitled it. At that time when that proposal was adopted there was no suggestion of the proposition of treating the District as part of Maryland for purposes of presidential elections.

I again submit that the substitute which is before us is really serving the purpose of diverting us from responding to the fundamental question of full voting representation in the Congress of the United States for the District of Columbia. Now, on that fundamental question Members of this body may differ as to whether they think the residents of the District of Columbia ought to be entitled in the Senate of the United States to be represented by two Members and in the House by the number of Members of the House their population entitles them to. But we ought to face that issue and face it squarely and not seek to divert it by an illogical proposition of the sort that is now before us in the pending substitute.

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

Mr. SARBANES. I yield to the Senator.

Mr. MELCHER. I think the Senator is framing the case for the entire State of Maryland and I would accept the fact that the Senator would know the position of the State.

Mr. SARBANES. Mr. President, if the Senator will yield on that point, I think it is fair to say that this understanding on the part of the Senator is accurate.

Mr. MELCHER. Mr. President, if the Senator will yield, I believe the term "retrocession" when no land is involved, when no property is involved, when nothing is ceded to Maryland, is inaccurate.

I think the term implies ceding property back to someone and that is not the case. I do not think the Senator would view this as property. I think this is a question of a right to participate in the election process for representation in the Senate.

Mr. SARBANES. If the Senator is not going to carry any territory with his proposal, in a jurisdictional sense, he is simply going to have a free-floating body of citizens to be attached to some State for purposes of voting for Senator. Then I submit to the Senator, as I said at the outset, there is just as much logic in attaching that free-floating body of 700,000 citizens to any one of the 50 States in the Union. If you want to talk——

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

Mr. SARBANES. If I can finish my thought—if you want to talk about the proposition of retrocession of this entire territory to the State of Maryland in terms of full jurisdiction and Senate and House voting rights running with it, that, at least, is logically consistent even if there are arguments against it.

But that is not the substitute before us. This substitute excludes all aspects of retrocession except representation in the Senate of the United States; even with respect to representation in the Congress of the United States it goes down one path with respect to the Senate and down another path with respect to the House of Representatives.

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

Mr. SARBANES. I yield.

Mr. MELCHER. I do not believe that is logical unless the Senator feels that direct representation in the House is something less than would be available to them if they were residents in another area of the country.

That is not the case. Representation for them in the House is on the basis of the District line just as is presented before us in House Joint Resolution 554. It is rather generous, and I do not think the Senator is trying to say that it is overly generous, is he?

Mr. SARBANES. The Senator's proposal with respect to House representation treats the District of Columbia as though it were a State, does it not?

Mr. MELCHER. For purposes of House representation.

Mr. SARBANES. That is correct. Is that not the case?

Mr. MELCHER. Exactly as it is in House Joint Resolution 554 which the Senator advocates.

Mr. SARBANES. For purposes of Senate representation he then takes the residents of the District of Columbia and instead of treating them as though they were a State for that purpose seeks to incorporate them with the population of the State of Maryland for purposes of electing a Senator.

Mr. MELCHER. Two Senators.

Mr. SARBANES. Two Senators.

Mr. MELCHER. Absolutely correct.

Mr. SARBANES. And my observation with respect to that approach is that it lacks an inherent logical consistency.

Now, the Senator may make that proposition. All I am saying is it is not logically consistent, it lacks that attribute.

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

Mr. SARBANES. Furthermore, as I pointed out, it is illogical because all the other aspects of retrocession which one would assume would accompany inclusion of the population of the District of Columbia with Maryland for the purposes of electing a Senator have been completely excluded. You maintain the District of Columbia as a separate territory, for which there is strong argument to do so, but you do maintain that under this substitute; is that not correct?

Mr. MELCHER. The Senator is absolutely correct. But if the Senator will yield, Mr. President, may I repeat that had not the framers of the Constitution explicitly prohibited the citizens of the District from having the right to vote, they would be voting for Senators just as I have proposed.

I cannot go back now any more than the Senator from Maryland can go back to the times when the Constitution was framed and make that correction in any other better way than the way I am offering it right now.

Mr. SARBANES. I think the correction can be made in a far better way, and that is through the adoption of House Joint Resolution 554 and rejecting the substitute offered by the Senator from Montana.

I yield to the Senator from Virginia.

Mr. SCOTT. I believe there is a distinction between the Virginia retroces-

sion and the proposal by the distinguished Senator from Montana, and yet there is a similarity. In the event that the people of the District of Columbia did vote in the Maryland elections for the Senate, Maryland would still have a population somewhat less than 5 million people. Virginia has a population of something over 5 million people.

It might be a solution to the dilemma with which we are faced.

I can understand the reluctance of the distinguished Senator from Maryland in desiring to avoid changes being made in the areas from which Senators would be elected from his own State to include a portion of territory that is no longer a part of Maryland. But it once was a part of Maryland, and the common law of Maryland is the common law of the District of Columbia. There is a lot to be said in favor of the amendment proposed by the distinguished Senator from Montana.

I think there are some similarities between the Maryland and Virginia situations. The Virginia retrocession was with the consent of the people of the State of Virginia, and then it was accepted by Virginia, by the District of Columbia, and by Congress. I see the difference, but I merely wanted to rise to point out that there are some similarities as well as differences.

Mr. SARBANES. Well, of course, the Virginia section of the District of Columbia had never really been used as a Federal city.

Mr. SCOTT. It was included within the 10-mile square area, but the Senator is correct.

Mr. SARBANES. But no development of it as a Federal city had taken place, as I understand it.

Mr. SCOTT. The city of Alexandria was a seaport, and was perhaps more highly populated than the rest of the District of Columbia. In fact, it was more highly populated than the rest of the District of Columbia, and it was part of the District of Columbia and part of the area that was first ceded and then receded. Alexandria is one of our oldest cities in Virginia.

I thank the Senator for yielding.

Mr. SARBANES. Mr. President, to sum up concerning the substitute—first of all, there is no retrocession to Maryland of the territorial area of the District of Columbia, which is the analogy one would have to draw if one were to use the Virginia analogy. The substitute deals only—I repeat, only—with the question of representation for residents of the District of Columbia in Congress. The substitute says, by its own terms, that the District shall be treated as though it were a State for purposes of representation in the House of Representatives, but it is to be treated as though it were part of the State of Maryland for purposes of representation in the Senate.

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

Mr. SARBANES. I yield.

Mr. MELCHER. Would the Senator prefer that the District of Columbia be treated as a State in all respects? House Joint Resolution 554 only treats the District as if it were a State on three points.

Mr. SARBANES. That is right. And as a consequence, it puts very directly to us the question of enfranchisement of the District of Columbia for purposes of representation in the Congress of the United States.

Mr. MELCHER. That is true.

Mr. SARBANES. Now, there are Members of this body who are opposed to that, and you can have a variety of reasons for opposition to it and choose, in effect, to place in the scale of balance in reaching your judgment those reasons as outweighing the weight you are prepared to attach to the fact that 700,000 people have been disenfranchised as far as participating in the decisionmaking of the national legislature is concerned. They have been brought into the Constitution for decisionmaking with respect to the election of the President, with respect to the election of the executive branch of Government, but at the moment they are disenfranchised as far as participating in policymaking in the National Legislature is concerned.

Those of us who support House Joint Resolution 554 believe that the enfranchisement of those 700,000 people, or whatever the population of the District of Columbia may be, is an important objective, and outweighs the arguments that may be made against it with respect of one's jurisdictional perception of the District of Columbia as a district as opposed to being a State.

Some Senators may disagree with that, and will vote the other way, but at least the issue ought to be put very directly, and not diverted by this proposition, which is a limited partial recession of a most illogical nature.

Mr. MELCHER. Will the Senator yield further?

Mr. SARBANES. Yes.

Mr. MELCHER. The Senator has rightly stated that we have corrected by previous amendments to the Constitution the rights of citizens of the District of Columbia to vote for President and Vice President. This amendment would correct the situation on voting for Members of the House of Representatives.

In both of those instances, the requirements for voting were consistent with those for everyone else in the United States. If you are a citizen, you follow the procedure wherever you live and have the right to vote for the President and the Vice President, because you are a citizen. If you are a citizen entitled, as every citizen should be, to representation in the House of Representatives, that will be protected in this resolution. It is easy, on that basis, and is consistent with the rights of every other individual in the United States.

Now, the Constitution tells us that for purposes of representation in the Senate, each State will have two Senators; no State will have more than two, and no State can be deprived of its representation in the Senate. That is a constitutional mandate. And so the resolution that was presented to the House of Representatives was inconsistent with what the Senator from Maryland is arguing. If the Senator from Maryland wants to argue that it is necessary to be consistent, then the Senator from Maryland, in this instance, should say, "For the sake of consistency, I must amend this resolution to say that the District of Columbia is a State." That is consistency.

So I hardly see that my approach is any more inconsistent than is the approach of the pending joint resolution, because the Senator from Maryland has not sought to amend the Constitution to say that the District of Columbia is a State. As to the point of consistency, the resolution which the Senator from Maryland is supporting states that for purposes of electing Senators, the District of Columbia will be considered a State.

Mr. SARBANES. Well, Mr. President—

Mr. MELCHER. Now, that is inconsistent, in the sense that the amendment does not propose that the District be a State.

Mr. SARBANES. In response to the Senator from Montana, I think the simplest answer would be first to read from House Joint Resolution 554, which is the proposed constitutional amendment to provide representation for the District of Columbia in the Congress, which is before us, and which I very strongly support. It states:

> For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

So the District should be treated as though it were a State for all electoral purposes.

Contrast that with the substitute proposed by the Senator from Montana, which says:

> For purposes of representation in the House of Representatives, the District constituting the seat of government of the United States shall be treated as though it were a State. For purposes of representation in the Senate, the District constituting the seat of the government of the United States shall be treated as though it were part of the State of Maryland. For the purposes of ratification or initiating constitutional amendments, the District constituting the seat of the government of the United States shall be treated as though it were a State.

I am simply saying that for representation purposes, for electoral purposes, the proposition which is before us in House Joint Resolution 554, which treats the District as though it were a State, has a logical consistency which is absent in the substitute proposal which the Senator from Montana has offered.

I am ready to move to table the Senator's amendment. I do not wish to cut off debate. If the Senator is prepared to go to that motion, I am prepared to so move.

Mr. MELCHER. I suggest to the Senator that there are other Senators who wish to address the question. Out of courtesy to them, I would appreciate it if the Senator would not propose the tabling motion at this time.

Mr. SARBANES. If there are others who wish to speak on it, I would not propose the tabling motion at this time.

Mr. MELCHER. Mr. President, the Senator from Maryland has just read through the joint resolution that the District would be treated as if it were

a State under House Joint Resolution 554 for the purposes of electing House Members, for electing two Senators, and not for the purpose of ratifying amendments to the Constitution or initiating amendments to the Constitution. That is all in House Joint Resolution 554. The Senator from Maryland describes that as being a consistent approach.

While I appreciate his point and would agree that in all of those instances each one is consistent with the other, there is yet a basic flaw or inconsistency in the approach as the Constitution provides for the States. House Joint Resolution 554 stops short of going to the ultimate consistency wherein it would not be necessary to list these separate items, but saying only that the District of Columbia is proposed in this amendment to become a State.

That would be entirely consistent if they so chose. But the supporters of House Joint Resolution 554 have not seen fit and have not wanted to advance into what I think would be treacherous waters for the approval of a ratification process of that kind of an amendment to the Constitution.

I think it would be difficult for many State legislatures to look upon the District of Columbia as a State. It does not have the attributes of a State. It is a core within a vast metropolitan area and simply does not compare to any State. So supporters of House Joint Resolution 554 have avoided doing that.

In my judgment, if they wanted to be entirely consistent, they would not have made the approach they made. They would have just said the District will become a State.

If the constitutional amendment is to be ratified by three-fourths of the States, I think it is paramount that we correctly address the problem as it exists today and describe it correctly in the proposed constitutional amendment so there is an opportunity for the various States of the 50 to vote on it and to make a determination affirmatively that the residents of the District shall have the right of citizenship in regard to the election process to Congress, to the House and to the Senate, and be able to participate as citizens in the ratification of amendments or the initiation of amendments to the Constitution.

I think it would be inconsistent with all logic having not declared the District to be eligible to be a State to declare that, although it is not eligible to be a State, it is eligible to be treated as a State for Senate representation.

It is illogical from the point of view of what the Constitution envisions in the separation of the House and the Senate; in the separation of the legislature from the executive, and in the process that is involved in the election of the President, the Vice President, the Members of the Senate, and the Members of the House.

As I have said earlier, because the framers of the Constitution did a wrong to the people who were to live in the District by disenfranchising them under the Constitution, I think it is most consistent and appropriate that we correct that situation as quickly as we can and in the logical manner as the Constitution should have provided from the outset.

The Constitution, if it had not been improperly drafted in this respect, would have provided that the residents of the District would be voting in elections for the House and the Senate exactly as we propose it in my substitute amendment.

Those on the Virginia side of the Potomac would be voting in Virginia as they are now, after 1846 when the retrocession of the land went back to Virginia. Those residents living on this side of the Potomac in what is now the District of Columbia would have been voting for Senators in Maryland.

My proposal takes no one's right away. I find it not only consistent with fairness; I find it consistent with what I believe should have been drafted and provided for originally in the Constitution.

I believe the substitute is addressing it in this manner as properly and wisely as can be done at this time.

Mr. HATCH. Will the Senator yield?

Mr. MELCHER. I yield.

Mr. HATCH. I have looked very carefully at the Senator's amendment, and although I can still see some difficulties with it, and I raised some of those yesterday on the floor of the Senate, I think it is a rather ingenious way of trying to provide, if we are going to do this at all, at least a more logical way than the illogical way that the joint resolution provides, House Joint Resolution 554.

(Mr. HODGES assumed the chair.)

Mr. HATCH. What the Senator has recognized here, or, at least, I take it this is his argument, is that a city may need its own Congressman when it has 700,000 people, although decreasing in size, but the Founding Fathers' desire was to have Senators represent States. The individual Congressman represents individual constituencies, but the Senators do represent States. I see some of the same objections I raised yesterday.

On the other hand, this is much more logical within the framework of the Constitution than House Joint Resolution 554, which tries to make a State out of a city and a Federal enclave at that, a Federal enclave, where the mentality is all Federal—or at least, that is the argument that has been made, and I think rather persuasively, here and in the past and during committee hearings on this subject, part of which I sat through as a member of the Judiciary Committee.

In all honesty, I have some difficulties with the amendment of the Senator from Montana. Nevertheless, if we are talking about logic and if we want to accomplish that which we have not otherwise been able to accomplish, that which might be acceptable to the States—and I really believe the Senator's amendment might be acceptable to the State of Maryland upon a vote there—then I would say that the amendment of the distinguished Senator from Montana, or substitute amendment here, is much more logical than the bill itself, the original House Joint Resolution 554, which has, in my opinion, some very bad constitutional aspects.

Yesterday I raised the point that House Joint Resolution 554 treats three different kinds of voting procedures—electing Members of Congress, electing the President and Vice President, and ratifying amendments—as one and the same. I believe the Senator has tried to correct at least one of them.

I also raised a number of other issues that the House Joint Resolution 554 proposal does not solve. Nevertheless, I am impressed with the Senator's amendment. I have the same desire he does; that is, to correct what is an injustice without going through the political machinations of looking like we are doing it when really, everybody here knows that 38 of the States are not going to ratify House Joint Resolution 554.

I think that if we are going to try to solve this problem, we ought at least to do something along the line of straight retrocession or the suggestion I made yesterday, providing a right to vote in the State where their last residency was, where their ancestors' residency is, or in some sort of proportionate way that can be devised if reasonable minds get together and try to solve the problem.

What I really suspect here is that House Joint Resolution 554 is the usual political approach, which may win here, on the floor of the Senate, but which does not have a chance, in my opinion, with the 50 States in this Union. I think it is not going to be very difficult to point out in those States, and I think it will be pointed out and is already being pointed out in some areas, that you cannot make a State out of the District of Columbia and that calling a city a State does not make it one. Calling a Federal enclave a State is even worse.

What we are going through here is a political exercise, it seems to me, to give some credibility for the viewpoint of certain Senators on the floor who are pushing this particular amendment, but who know, in and of themselves, that it is an exercise in futility even if the Senate and the House pass it or ratify it.

I should think that there is a much bigger chance of Maryland accepting the Senator's approach than there is of House Joint Resolution 554 having any opportunity, and if the Senators really feel strongly about this—and I am not sure at this point what my viewpoint is going to be when this comes up to a vote; but if the Senators really feel strongly, on the floor of the Senate, about granting voting rights to the citizens of the District, this is a reasonable way of doing it, or at least more reasonable and far more logical than House Joint Resolution 554, for the reasons I enunciated yesterday.

I also think that if they really want to accomplish this, this has some merit.

Mr. MATHIAS. Will the Senator yield for a question?

Mr. HATCH. Surely; I am glad to.

Mr. MATHIAS. Since the Senator seems to support the Melcher amendment—

Mr. HATCH. I do not know that I do at this point, but at least, it has more influence with me than House Joint Resolution 554, which tries to make a State out of the District.

Mr. MATHIAS. If the Senator's mind is not firmly fixed——

Mr. HATCH. It is not at this point.

Mr. MATHIAS. Perhaps I can ask the author of this interesting amendment some questions which might reflect on how it would operate.

Mr. HATCH. If the Senator will allow me to make my statement first——

Mr. MATHIAS. I am sorry. I thought the Senator was just reflecting generally.

Mr. MELCHER. I want to make it clear, Mr. President, that I have not yielded the floor.

Mr. HATCH. He has yielded some time to me. I shall be happy to yield back for the Senator to ask any questions he wants to.

What I am saying is if this is not really an exercise in futility and if we are really trying to give the residents of the District a right to vote for two Senators and one Congressman, it seems to me it is far more logical to follow the amendment of the Senator from Montana than it is to follow House Joint Resolution 554, because it recognizes that at least the Congressman will represent the city, but the Senators will be voting within the State structure or framework.

If we are going to talk about logic, I listened to the other distinguished Senator from Maryland and he thought that the amendment of the Senator from Montana was illogical, if I interpreted correctly, and I think I did. But I think it is more logical than House Joint Resolution 554 and has more merit than House Joint Resolution 554, even though I still have some difficulties with it.

That is the only point I am making: If we really are sincere—and I might add that it is easy for me to see why the two Senators from Maryland may or may not want to support this kind of amendment. But if we really are sincere about it and if the Senator's amendment has an opportunity of passing, maybe we ought all to give more consideration to Senator Melcher's amendment, because it has some merit. At least, it recognizes that Senators happen to represent States.

That was the intent of the Founding Fathers. The Congressmen do represent smaller geographical areas, generally, cities or other areas of approximately 50,000 people.

So, from a logic standpoint, I want to commend the efforts of the distinguished Senator from Montana. I should urge my colleagues to give good consideration to what he is saying here. I think it has some validity. Although I have not fully made up my mind, I am going to give great thought to it, because I think it is the first time I have seen this type of approach. I have thought in terms of full retrocession, which, in my opinion, would be constitutionally more sound. I personally believe Maryland would accept retrocession. I believe it would.

I think the distinguished Senator from Vermont has been making that point. Nobody knows, and until it is tried, how do we know? It is a lot better than going to 50 States and trying to get 38, when they are going to have all the arguments that have been made here, that you cannot make a State out of a city, and especially a Federal enclave.

I thank the Senator for giving me this little bit of his own time. I am very grateful to him and I am going to listen very carefully to what he has to say.

Mr. MELCHER. I thank the Senator from Utah. I point out that the Constitution provides that there will be 435 Members of the House of Representatives. That is a restraint on the membership of that body. It is a restraint that is adjusted after every 10-year census. Based on the population of the entire country then the determination is made of how many people each representative will represent in the House of Representatives.

We have no such restraint in the Constitution on the Senate except the restraint that there shall be only two Senators from each State, that there shall not be any detraction, any removal of a State's Senator or Senators without their consent.

Mr. MATHIAS. Will the Senator yield for a question?

Mr. MELCHER. I will yield first to the Senator from Maryland and then to the Senator from Utah.

Mr. MATHIAS. I do have some questions because I think the Senator has raised an extremely interesting suggestion. It is one about which I try to be objective. Of course, the Senator wants to give me several hundred thousand additional constituents, so I cannot pretend to be totally objective on the subject.

But I am wondering how the Senator would approach the problem of the primary elections under this amendment. How has he envisioned, for example, that the parties in Maryland and the parties in the District of Columbia would coordinate a primary election, in a year they were nominating candidates for the U.S. House of Representatives and nominating candidates for the U.S. Senate. Just how would that work?

Mr. MELCHER. I am delighted to answer the distinguished Senator from Maryland and say that I am sure he, for one, would have a direct input on how it would work.

It is a question of applying the same type of rules that the State of Maryland has for the citizens now residing in Maryland, applying those rules as though the citizens of the District were actually citizens of Maryland.

Mr. MATHIAS. Does the Senator project there will be two sets of registration machinery; that the citizens of the District of Columbia would register in the District of Columbia for purposes of electing a Representative and that then they would register on the Maryland books for the Senate election? Would the Senator think that the Maryland registrars should come across Eastern Avenue or Western Avenue and enter the District; or would the people of the District cut across Eastern Avenue and Western Avenue and enter Maryland in order to get registered? Or could we have postcard registration? Just exactly how does the Senator envision it?

Mr. MELCHER. The Senator from Maryland, of course, knows the Maryland law in regard to those questions.

Mr. MATHIAS. We have no Maryland law about coming into the District of Columbia. That is why I am asking the question.

Mr. MELCHER. I might add to the distinguished Senator that the District of Columbia now has no law about the proper registration for the purposes that are envisioned in House Joint Resolution 554, at least no complete law in that regard, because they have not had the opportunity to completely face the question.

But to be more specific in answering the question posed by the Senator from Maryland, I do not envision it as being a very disturbing problem for the District voters who would be eligible to vote for their House Members in their own district and eligible to vote for Senators as if they were residents of Maryland to comply with whatever necessary paraphernalia there is in complying with the Maryland law.

Mr. MATHIAS. If the Senator would let me ask a further question, I might say——

Mr. MELCHER. Might I further answer the distinguished Senator by saying that the——

Mr. MATHIAS. I wish the Senator could answer it with a little more specificity.

Mr. MELCHER. I might point out that the residents of the city of Chicago were long able to vote in a way that Mayor Daly found favorable for whatever House Members they were eligible to vote for and also vote for the Senators from Illinois.

I would not think the Senator from Maryland would try to be proposing that it would be unworkable to allow the District of Columbia residents to have this opportunity to vote for Senators.

Mr. MATHIAS. I do not believe it would be totally unworkable. I am just asking how the Senator thinks it would work. It was his idea, not mine.

But I do have a further question I might ask the Senator. He referred to the law of Maryland.

Now, I am familiar with the law of Maryland with regard to vacancies. I know what would happen if my friend and colleague (Mr. SARBANES) or I, myself, would drop in the traces, or as we grow weaker under the burden and we drop out, I know what the law of Maryland is about vacancies.

The Governor of Maryland appoints the Senator until the next election.

Now, are we going to have the Governor of Maryland appoint a Senator to represent the people of the District of Columbia? That is the law of Maryland.

If the Senator envisions some change in the law, how are we going to change the organic law of Maryland so that some official in the District of Columbia joins with the Governor of Maryland on a proportional basis to fill a vacancy that may occur in the U.S. Senate for Maryland?

Mr. MELCHER. In answer to the question posed by the Senator from Maryland——

Mr. MATHIAS. If the Senator from Montana will allow me to interrupt, my friend and colleague, PAUL SARBANES, is in the Chamber and appears to be in good health, so the question of a vacancy may not arise immediately.

Mr. MELCHER. In answer to the

distinguished senior Senator from Maryland, he posed a very interesting point which is: What if a Senator from Maryland dies?

Mr. MATHIAS. I hope the Senator said "any Senator."

[Laughter.]

Mr. MELCHER. I hope neither of you dies—ever.

Mr. MATHIAS. Let us keep this general.

Mr. SARBANES. I think we should keep it in the most hypothetical form possible.

Mr. MELCHER. I offer this in a nonpartisan way. I hope neither Senator ever dies.

However, if that unfortunate occurrence should happen, and if this proposed substitute were adopted, and the States ratified it and it became part of the Constitution, what would be the procedure of appointing a Senator to succeed until the next election could be held to fill the vacancy? Of course, it would be through the Governor of Maryland appointing the successor until the next election.

Every constitutional amendment that is adopted poses some very practical questions. How do you implement this or that or the other thing?

Let me speak to the situation that would arise following the point raised by the distinguished senior Senator from Maryland. After we adopted House Joint Resolution 544 as the House passed it, and the District elected two Senators from the District, suppose that an unfortunate and tragic fatality should happen to one of those Senators.

Who would appoint a successor to that Senator? It is not in the Constitution, it is not in House Joint Resolution 554, and it certainly is not under any law of the District of Columbia at present.

So the very question of the distinguished Senator from Maryland has raised one of the myriad pertinent points that make it possible to say that the method I propose for the election of Senators to represent the District of Columbia is far more workable, far more practical, and far more fair than anything proposed by the supporters of House Joint Resolution 554.

Does the distinguished Senator from Maryland have other questions? I will be glad to yield, if he does.

Mr. MATHIAS. I will answer that briefly in this way: I believe that saying that amendments to the Constitution create more questions really begs the question.

This is a very practical problem. If you are dealing with a recognized political entity, you can work out the problem of filling vacancies. But I must say that I shudder a little at the thought of how we would fill vacancies in the Senate and be fair to everybody in a situation where the voting is split between the District of Columbia and the people of Maryland.

I hope that the Senator, as he propounds this proposition to the Senate, will consider that question very carefully. It is a troubling one to me. It is not one which I think allows of easy solution.

I have some other comments I will make. I do not want to take the Senator's time, but I did want to raise these questions while he is in the course of his presentation. When he has finished, I will make a few other observations.

Mr. MELCHER. Mr. President, the very example that the senior Senator from Maryland posed is a strong argument in favor of following a procedure that is recognized and in place, that is compatible with the Constitution, with respect to the manner in which District residents would have their representation in the Senate. In my judgment, that procedure is best followed and more accurately meets any unfortunate or unseen occurrence that might happen than if House Joint Resolution 554 is passed by the Senate and ratified by the States in the form it passed the House. House Joint Resolution 554 leaves the inconsistencies of an election of two Senators from the District and disregards the basic proposition that the District is not a State.

Mr. President, I know other Senators would like to have the floor, including the distinguished senior Senator from Maryland, and I therefore yield the floor.

Mr. MATHIAS. Mr. President, before the Senator yields, let me ask one further question.

I wonder whether the distinguished Senator has reviewed the opinion of the Supreme Court of the United States in the case of Evans against Cornman, which was argued on the 22d of December 1970, and decided on June 15 of the following year.

Mr. MELCHER. I say to the distinguished Senator that I have not reviewed the case.

I point out to the Senator that we are proposing a constitutional amendment which would become part of the Constitution, if it is ratified by three-fourths of the States, and it would be the law.

Mr. MATHIAS. The Senator might find it profitable to read that case. It might give him some aid and support.

The case involves some residents who lived on the grounds of the National Institutes of Health in Bethesda, Md. They were denied the right to vote because that land had been ceded to the Federal Government. But the Supreme Court held that, notwithstanding the cession of that land to the Federal Government, the residents of that property still, in fact, retained the right to vote in Maryland elections.

So I think it is a very pertinent case to the Senator's amendment, one that deserves the Senator's attention. I hope he will read it with a discriminating eye, as he has, and with the kind of judgment he brings to the Senate.

It seems to me that the case does raise points of difference. It does point out the nature of the land ceded at Bethesda for the purposes of the National Institutes of Health, which I think can be distinguished from the District of Columbia, as envisioned in the Constitution by the Founding Fathers.

I just wanted to ask that one question; and if the Senator yields the floor, I will make a few observations.

Mr. MELCHER. I do yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, as Senators in the Chamber may have ascertained or been able to divine, I do have some very serious questions. I do not make light of this amendment. I think it raises extremely serious questions. But I think it has to be viewed with very careful scrutiny. If it looks like an easy solution to anyone they should think about some of the implications of it. I think it has to be degrading to the people of the District of Columbia in several ways because in effect it treats the District of Columbia as if it were a military reservation; as if it were any other Federal reservation and not the seat of Government, the Capital of the United States of America, the nerve center of the entire world. We are going to deal with the electoral problems here just as if it were a military stockade somewhere. I think that is degrading.

Furthermore, it does not achieve the basic objective that I think probably every Member of the Senate would like to see achieved, and that is to grant full, 100-percent citizenship to the people of the District of Columbia. It denies them a congressional delegation as a congressional delegation is known and recognized from every other one of the 50 States.

There will be some representatives over here elected by one constituency and Senators over here elected by a different constituency.

I think that is bound to leave in the mouths of the voters of the District a kind of bad taste. It is a kind of an invidious discrimination. It is a hangover from the years of discriminatory treatment, and I do not think it fills the bill.

I think, also, Mr. President, that the amendment is degrading to the people of Maryland. I think to alter the practice of more than 178 years without notice to the people of Maryland and without opportunity to the people of Maryland to consider what kind of impact this would have upon our political institutions, upon our political practices, is a kind of a summary treatment to consider administering to a sister State.

This is a constitutional question, as I suggested by bringing the 1970 opinion of the Supreme Court to the attention of the Senate. It is not something to be sprung upon the State of Maryland and to be sprung upon the country as an amendment here. It would have an effect. I think we are entitled to some time to discuss it and to consider it.

Mr. BAYH. Does the Senator yield or was he just catching his breath? I did not want to interrupt his total assessment of this, but inasmuch as he is from the affected State I wish to address some concerns and observations that the Senator from Indiana has to my friend who happens to have a real understanding of the Maryland constituency. Plus he is a member of the Judiciary Committee who is familiar with many of the constitutional questions that are raised by this particular well-intentioned expression of concern on the part of the Senator from Montana.

Mr. MATHIAS. Yes, I am happy to yield to the distinguished Senator.

Mr. BAYH. I do not know whether it is appropriate now, but I think perhaps

the Senator from Montana might care to participate in this as well.

Mr. MATHIAS. I would hope that he would.

Mr. BAYH. I am grateful for the Senator's concern that at least we find some way to let three-quarters of a million people have an opportunity to be represented. I share that concern and so does my friend from Maryland.

Mr. MATHIAS. As I just mentioned a minute ago, I think every Member of the Senate is really motivated in this thing. We just really have to find a way to do it.

Mr. BAYH. One of the concerns I have is that the vehicle which has been chosen by our distinguished friend from Montana seems to raise more questions than give answers.

I call my colleague's attention to article IV, section 3 and ask his interpretation of that relative to how we ultimately conclude this process, particularly from the standpoint of the Maryland constituency that he now represents which would be commingled technically if indeed not by sovereignty for the purpose of choosing Members of the Senate and the House. Article IV, section 3 says:

> New states may be admitted by the Congress into this Union; but no new states shall be formed or erected within the jurisdiction of any other state; . . .

And this is the last part of that section to which I call the Senator's attention:

> . . . nor any state be formed by the junction of two or more states or parts of states, without the consent of the legislatures of the states concerned, as well as of the Congress.

The only time we have had a situation like this was a retrocession of part of the original Capital City to the State of Virginia. In that particular instance it was considered necessary for the Virginia State Legislature to vote on that and, indeed, the Virginia State Legislature did vote to accept that retrocession.

Does the Senator from Maryland assume that this would be a similar requirement?

Mr. MATHIAS. I would certainly think so. As I just said, even if it could be construed that this was not a case which technically came within the four corners of that provision of the Constitution, that you are here dealing with 178 years or more of practice, of political practice, that would have to be radically changed.

I think certainly the spirit of the Constitution would require that the people of Maryland, who will be affected here, have an opportunity to consider and discuss it, and that the Legislature of Maryland express its will on this subject. I think the Senator is absolutely right.

Mr. MELCHER. Mr. President, will the Senator yield for a question?

Mr. BAYH. I would just like to expand on that. There can be no question but what you are bringing in 750,000 new residents for all intents and purposes so far as the impact they have on Senators and Representatives.

Mr. MATHIAS. Which the Senator from Indiana knows is more than the population of many States.

Mr. BAYH. That is correct. That is why I think we have a very real problem here. The Senator from Indiana thinks a very real case can be made constitutionally that this article would require the Maryland Legislature to ratify this particular constitutional amendment so far as this particular impact is concerned.

Mr. STEVENS. Mr. President, will the Senator yield to me? I have to catch an airplane, and I would like to make a short statement.

Mr. BAYH. I think the Senator from Maryland has the floor.

Mr. MATHIAS. If I can yield without losing the floor, I yield a minute to the Senator from Alaska.

Mr. STEVENS. Is that consent granted, Mr. President?

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

Mr. STEVENS. Mr. President, I can sympathize with a group of people who desire representation through statehood. In fact, the concept of representation framed in the Constitution is based upon statehood. My State of Alaska struggled for years to attain the rights of statehood. As everyone knows I was part of the statehood movement for Alaska. But House Joint Resolution 554 sharply departs from constitutional practice by giving a group of people full congressional representation without the status of a State. The fathers of our country would be repulsed by a proposal that would grant people representation in Congress, especially in the Senate, without the concomitant obligations of statehood.

The great compromise, proposed by Madison's Virginia plan during the Constitutional Convention of 1787, was grounded in the concept that the House of Representatives will represent the people and that the Senate will represent the States. According to House Joint Resolution 554, the District of Columbia is not granted statehood, it is simply granted representation in contravention of the compromise that knitted together warring factions in the Constitutional Convention.

Furthermore, House Joint Resolution 554 introduces a unique political entity into our Federal system which has remained intact for almost 200 years. If we pass this resolution, who knows what comes next. The United States now consists of certain territories, those being, Virgin Islands, Guam, Puerto Rico, American Samoa, Northern Marianas, and Micronesia, that instead of someday being presented with the usual alternatives of statehood, independence, or remaining a territory, will have a fourth alternative — congressional representation. Now, you may think me foolish in suggesting such a possibility, but I have in my hands a resolution from the legislature of Guam requesting just such a thing. I would like to read into the RECORD, Guam's resolution.

RESOLUTION No. 336

Be it resolved by the Legislature of the Territory of Guam:

Whereas, House Joint Resolution 554 calls for a constitutional amendment to provide representation in Congress for the District of Columbia; and

Whereas, the goal of House Joint Resolution 554 is to provide full voting representation in both the Senate and the House for a populace which has been historically denied representation; and

Whereas, the residents of Guam as well as the other residents of the territories of the United States and the District of Columbia carry the same burdens of citizenship as all other Americans yet they have no representation whatsoever in the Senate and one "non-voting" delegate in the House of Representatives; and

Whereas, this denial of representation is an affront to our democratic ideals and a blight on our record as a free nation to guarantee representative government for all Americans; and

Whereas, we support and encourage the United States Senate to act favorably on House Joint Resolution 554, we also ask the United States Congress to encourage and promote the initiation and passage of a similar joint resolution granting Guam's citizens voting representation in both Houses of Congress; and

Whereas, the achievement of full civil libertarianism for all of America's citizens and the elimination of the blight on democracy of a non-represented people will only be accomplished with the granting of full voting representation to the entire American community including America's territories: Now, therefore, be it

Resolved, That the Fourteenth Guam Legislature respectfully requests that the United States Senate act favorably on House Joint Resolution 554; and be it further

Resolved, that the Congress of the United States is respectfully requested to initiate and support a similar resolution granting full voting representation to America's territories as well; and be it further.

Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President Pro Tempore, U.S. Senate; to the Senate Majority Leader; to the Senate Minority Leader; to the Senate Minority Whip; to the Speaker, House of Representatives; to the House Majority Leader; to the House Minority Leader; to the House Minority Whip; to Senator Edward M. Kennedy; to the Delegate from the District of Columbia; to the Delegate from Guam; to the Delegate from the Virgin Islands; to the Resident Commissioner from Puerto Rico; to the Liaison Officer from American Samoa; to the Washington Representative from the Northern Marianas; to the Liaison Officer from Micronesia; to the Governor of Puerto Rico; to the Governor of the Virgin Islands; to the Governor of American Samoa; to the Governor of the Northern Marianas; to the Speaker, Puerto Rico Legislature; to the Speaker, Virgin Islands Legislature; to the Speaker, American Samoa Legislature; to the Speaker, Northern Marianas Legislature; to the Congressional Delegation from Hawaii; to the Secretary of State; to the Secretary of Interior; to the Chairman, National Democratic Committee; to the Chairman, National Republican Committee; to the Executive Editor, Washington Post; to the Executive Editor, Washington Star; to the Executive Editor, New York Times; to the Bureau Chief, Gannett Newspapers, Washington, D.C. and to the Governor of Guam.

Mr. President, including the two Senators who are proposed under House Judiciary Resolution 554, if we add up all the Senators who could enter the Senate by granting similar representation to the territories I previously mentioned, we could have 14 Senators from non-States. If such a phenomenon occurred, over 20 percent of the Senate would be representing non-States. What would happen

to the great Madison compromise? What would happen to federalism? And who knows what will happen after the territories move for such representation? Maybe portions of already existing States or large cities that want their own Senators may begin requesting representation.

The answer, Mr. President, is to maintain the status quo of providing representation, at least in the Senate, to States only. Now, I know the Constitution prohibits the Capital of the United States from ever becoming a State. That, however, does not foreclose all legitimate and rational alternatives to House Joint Resolution 554 for congressional representation for the District of Columbia residents. Retrocession to Maryland is always a possibility. That is why I cosponsored the bill introduced by the distinguished Senator from Utah, Senator HATCH, requiring a study of that particular issue.

Another good alternative is Senator MELCHER's amendment to provide representation for the District's residents. In this situation, the District's residents vote for Senators from Maryland, while voting for their own representatives. This properly and adequately preserves the constitutional system of Senators representing States and Representatives representing people.

Now, it can be argued that this will not entitle the District's residents to their own Senators. Yes, this is true in name, but not in fact. Woe to the Senator from Maryland who does not adequately represent the District of Columbia. If he ignores the District of Columbia, wait until the next election. The District will conveniently ignore him. Then who has the last laugh? I just want to register my support for the senior Senator from Montana's amendment, which would preserve our Nation's constitutional system.

Mr. MATHIAS. Mr. President, I want to yield again to the Senator from Indiana so that he can propound his inquiry.

Mr. BAYH. I might just say I listened with a great deal of interest to the statement of our distinguished colleague from Alaska. It seems to me he is making an argument in opposition to the amendment of the Senator from Montana. I mean, woe unto the Senator from Maryland who tried to represent Annapolis when the news media are in the Nation's Capital, and that is the very reason why there are distinct interests——

Mr. MATHIAS. Let us not forget Baltimore.

Mr. BAYH. Let us not forget Baltimore.

It seems to me that is one of the real reasons why you and I are concerned that there are certain unique characteristics and unique needs that the people of the District of Columbia have, 750,000 people who are not necessarily reflective of or represent the other part of the diverse constituency represented so ably by the distinguished Senator from Maryland.

Mr. MATHIAS. That raises a good question. As I see the Senator from Montana is anxiously waiting to answer, let me just pose another facet of that same question: If the Senator's amendment is adopted, could a candidate for the Senate come from the District of Columbia? In other words, are the people of the District only going to be voters? Or could the candidate for the Senate come from the District or could the candidate only come from Maryland? Is Senator SARBANES going to have to move to Georgetown or how is this going to work? These are the practical questions that I just would like to sort of pin down, if we can.

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

Mr. MATHIAS. I yield.

Mr. MELCHER. The Senator has posed these interesting hypothetical cases of what happens if this happens or that happens. Earlier the Senator proposed a hypothetical case of what if a Senator in Maryland should die while in office. How would that be filled? Of course if a Senator or a Representative from the District died in office that seat would be filled in the same manner it is filled under present law in other States until a new election was held.

Mr. MATHIAS. You see we have organic law on the subject. The XVII amendment says:

> When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: *Provided*, That the legislature of any State may empower the executive thereof to make temporary appoints until the people fill the vacancies by election as the legislature may direct.

All I am trying to do is to get the Senator's amendment in focus with what the organic law of the country is.

Mr. MELCHER. In response to that I have pointed out the Governor of Maryland would appoint a successor; that, in contrast, if House Joint Resolution 554 were passed as is, if there were a death of a Senator from the District, we do not know how it would be filled.

Mr. MATHIAS. Under this amendment the executive authority fills it until the legislative body in the District will act.

Mr. MELCHER. Yes. Whatever executive happens to be formed after we go through this procedure. The same is true of resignation. We know the procedure under the States. The Governor fills a vacancy until the next election. In the case of whether the residents of the District could run as Senator in the State of Maryland, it would be my judgment that indeed, yes, that District residents could run for a seat as a Senator from Maryland.

Mr. BAYH. How could that be?

Mr. MELCHER. Implementation of all of the various necessities of each constitutional amendment, including, I would point out to my distinguished friend from Indiana, the equal rights amendment, if that is ratified, would be dependent on the clause that always accompanies each constitutional amendment, that appropriate laws would be enacted by Congress to carry out the intent of the amendment. There is no difference in this in either form, in House Joint Resolution 554 or in the form of my substitute. There is no difference, and it is not any different from any other constitutional amendment that has been proposed during the whole process of amending the Constitution.

I find no reason to pose any stumbling block on section 3 of article IV of the Constitution, as was envisioned that it might be a stumbling block by my friend from Indiana. I think it is clear that the proposition of allowing the residents of the District to vote as if they were residents of Maryland for purpose of electing Senators says it all. We are not dealing with geography. We are not dealing with land or with property. We are dealing with the basic right of individuals and how they are going to be represented in the U.S. Senate, and it is consistent in every way with the basic thrust of the Constitution of electing Members of the House of Representatives based on population, and electing Members to the Senate based on statehood.

Mr. BAYH. Mr. President, will the Senator permit me to make a comment, will the Senator yield further?

Mr. MATHIAS. Yes.

Mr. BAYH. I must say I concur with the analogy my good friend from Montana states about the implementation. I mean, if this is accepted one would expect that the reasonable implementing legislation could follow.

But what concerns me about this, is that there are a number of very critical conflicts that would follow, where you could argue the reasonableness either way.

For example, in the Constitution it says—and I would assume that just giving this franchise to the citizens in the District would not necessarily go to all other relationships that are guaranteed under the Constitution:

> The House of Representatives shall be composed of Members chosen every second Year by the People of the several States, and the Electors in each State shall have the Qualifications requisite for Electors of the most numerous Branch of the State Legislature.

Here we are talking about, really, two different legislative branches. How are we going to determine what the qualifications are for voting for Representatives and voting for Senators, as contained elsewhere in the Constitution, where we are talking about the qualifications being the same as for the State legislature? Should the qualifications be the ones necessary for the legislature that meets in Annapolis, or the legislature which is the Common Council here in the District of Columbia? How do we get around that difference?

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

Mr. MATHIAS. I am happy to yield to the Senator from Montana so that he may respond.

Mr. MELCHER. The answer is very simple. The qualifications that would apply would have to be the qualifications for Maryland insofar as they were applicable. Where they infringe on the rights of any individual in the District, if it were pointed out at some time, we would make the usual correction, as we have in all cases, or not in all cases, but in

as many as we have been able to. Where we have found an infringement on the rights of an individual, we address that appropriately in Congress, as we have in the case of every other constitutional amendment.

Mr. BAYH. There are very real questions, if the Senator will yield further——

Mr. MATHIAS. I yield again for the Senator from Indiana to make an inquiry.

Mr. BAYH. There is a very pertinent question as to the residency question. The District of Columbia has a number of citizens who move in and out of the city, and it is entirely possible that one could have the franchise and can come here and vote for the President of the United States with minimal residency requirements, and that that could be one of the qualifications for voting for Members of the House and Senate as well as for the Presidency. Yet in Maryland, for reasons that seemed good to the Maryland Legislature, the residency qualifications could be much different, and you could have a number of people in the District disqualified from voting for Senators by residency requirements established in Annapolis.

That is the difficulty I see against the form of State legislature in comingling these two kinds of constituencies, for the voting requirements are determined in the Constitution and allocated to the State legislature.

Mr. MELCHER. May I answer that?

Mr. MATHIAS. Yes, I yield to the Senator from Montana to respond.

Mr. MELCHER. I would say we would handle it exactly as we handled any other votings rights problem. I do not think that condition exists in Maryland; I do not believe it now exists in Maryland, and I doubt if it would pose a problem at all in the future. But if it did pose a problem, where the constitutional right to vote for a Senator from Maryland as if they were a resident of that State, or a restriction to that right arises, as the Senator from Indiana knows much better than I, it can be corrected by congressional review and action, if that is the case.

Mr. BAYH. I am not concerned about the kind of review we have addressed. I ask forgiveness of my friend the Senator from Maryland——

Mr. MATHIAS. Please go ahead.

Mr. BAYH. I suppose it is a perfectly reasonable qualification to say that you ought to be a resident of a State in order to represent that State. But does that mean that if you live in the District of Columbia, you are a resident of Maryland according to the requirement in Annapolis. That you have to be a resident before you can vote, or indeed a resident before you can serve? It is these questions that really cause me concern. I know my friend from Montana has resolved them in his own mind or he would not have proposed this constitutional amendment.

Mr. MATHIAS. Mr. President, let me comment briefly to the Senator from Indiana that what he is looking at is a dual set of registrations and a dual set of voting books. As Senators are aware, it is difficult to get voters on one set of voting books.We have a very sad record in this country of voter participation. The percentage of our population which participates in political decisions by voting is unhappily on the decrease, and has been for a number of years.

When we say to the voters of the District of Columbia, "After all these years, you are going to be represented in the Senate and in the House of Representatives, but in order to do that you have to be not on one set of books of registration, you have to be on two," what will that do to participation?

Mr. MELCHER. Is the Senator posing that question to me?

Mr. MATHIAS. Well, really, I am just responding to the question of the Senator from Indiana.

Mr. MELCHER. Might I respond, then?

Mr. MATHIAS. I yield to the Senator from Montana for that purpose.

Mr. MELCHER. I thank the Senator.

I find that in my State for purposes of elections of the county, the State, and the Federal Government I have to register on one set of registration books. For city purposes, I have to register on another set of books. For purposes of voting in school board elections, my name is on another set of books. I do not know the situations in Maryland or Indiana, but I feel that is a responsibility of citizenship, and I do not find it difficult or impractical or unnecessary. I find that there are reasons for that, and that the reasons are appropriate.

Mr. BAYH. Will the Senator permit me——

Mr. MATHIAS. I yield.

Mr. BAYH. I am not familiar with the Montana situation, but the situation in Indiana is similar if you talk about different kinds of elections and different kinds of jurisdictions. But in our State you only have to register one time. and the qualifications are consistent.

Here, for reasons I have mentioned earlier, because of the very transient nature of the District of Columbia population, you might have a different residency requirement for voting in the District than in Maryland, so you would have different qualifications. I do not know whether you have different qualifications in Montana. You do not in Indiana.

Mr. MELCHER. Would the Senator want, if my amendment is adopted, to modify it to declare that the qualifications will be the same in the District and in Maryland? I do not think that poses the kind of problem that makes it necessary, but if it were necessary, it could certainly be done.

Mr. BAYH. It would seem to me that if it were to be adopted, that would be the kind of thing we should undertake.

The question is, if the people in Maryland or the people of the District did not like the way in which we got involved in that, could they not, in essence, go to the Constitution that I have been reading from on occasion here, and say, "Wait a minute, you do not have a right to do that"? That is the reason for my concern.

May I address another question to the Senator from Montana?

Mr. MATHIAS. I yield.

Mr. BAYH. Let me say to the Senator from Montana that according to the 14th amendment, which was really not changed from the original article, this particular wording of article 1, section 2, where it says that Representatives shall be apportioned among the several States according to their respective numbers, does that mean, in determining the number of House Members that would be required, the citizens of the District of Columbia would be apportioned in with Maryland citizens in determining how many representatives should be given?

Mr. MELCHER. In answer to that question, I would say "No," it would be treated as it would be treated in House Joint Resolution 554, which the Senator is supporting, exactly the same way.

Mr. BAYH. I would like my friends to look at what that means. We are establishing a geographical boundary as far as Representatives are concerned and say, "OK, the District is entitled to the number of Congressmen that their numbers would entitle them to in the apportionment that occurs every 10 years."

If we say they do not vote separately, that they need to vote with Maryland, then it would seem to me that to determine how many they get we would have to take the Maryland population and District population and divide that under the decennial census, which occurs next time, in order to determine how many votes they are entitled to.

The PRESIDING OFFICER (Mr. FORD). The Senator from Maryland has the floor.

Mr. MATHIAS. I ask unanimous consent to yield to the Senator from Massachusetts without losing my right to the floor.

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

Mr. KENNEDY. I thank the Senator.

Mr. President, just prior to the vote on the issue raised by the Senator from Montana, I believe it might be appropriate for us to give some consideration to the historical reasons for the establishment of the District of Columbia. I fully agree with the other opponents of the amendment, because the District has no logical ties with Maryland now, and because the real precedent is the 1961 amendment to the Constitution, the 23rd amendment, which gave the District its own independent voice in Presidential elections. By that precedent, we now ought to give the District its own independent voice in Senate and House elections. The historical establishment of the District of Columbia is rather unique and special, and not unrelated to the issue which is before us.

Members of the Senate will recall the incident of 1783, called the Philadelphia Mutiny, in which about 200 Revolutionary War soldiers marched on the Continental Congress in Philadelphia, in order to obtain back pay representing the salaries they earned in the war and had failed to receive.

For a brief period, the Continental

Congress was virtually under seige. They asked the Pennsylvania militia for help, but the request was refused. Concerned about their personal safety, the Members of the Congress fled that evening to Princeton.

The incident had a lasting effect. The right of the new Congress to protect itself was the overriding consideration when, in 1787, the Founding Fathers approved article I, section 8, clause 17 of the Constitution, which provides that the Congress would have exclusive legislative control over the area to be designated as the Capital of our new Nation.

There is an interesting historical tale behind the selection of the actual site for the District. The Northern and Southern States each wanted the site to be in their region, anticipating the economic growth and other benefits that would come. So Thomas Jefferson and Alexander Hamilton worked out a compromise, by which a southern site on the Potomac River would be chosen in return for an agreement by the Southern States to allow the Federal Government to assume the State debts from the Revolutionary War. Payment of the debts would benefit the Northern States, since they were generally the States where the creditors were located.

In 1788, in anticipation of the selection of the site, Maryland had ceded certain lands. They were general in description, and Virginia followed suit the following year, in 1789. Then, in 1790, the 1st Congress passed what was called the Residence Act, specifying a general area along the Potomac from which the 10-mile square zone was to be selected by the President. According to the statute, the southern corner of the District was to be located no farther south than the junction of the Potomac and Anacostia Rivers, as shown on the map I have here at the rear of the Chamber.

But that limitation did not suit President Washington, who wanted the Capital site to include Alexandria, somewhat closer to his home in Mount Vernon. So he simply fixed the southern corner of the District below Alexandria, even though the action violated the restrictions set by Congress and created a District roughly one-third outside the limits in the law. Congress went along, however, and subsequently approved the President's action.

But the conflict of interest on Mount Vernon was embarrassing, and President Washington decided that no Federal buildings should be erected in the Virginia portion of the District. And none were established. Even 50 years later, none have been established. And so the Virginia portion of the District was given back to Virginia, with the approval of both the Virginia legislators and the citizens of Alexandria.

So this is an entirely different historical pattern from the development of the area ceded by Maryland, particularly in the location of all the various aspects of the new Federal Government. A reading of the history of this period would have to draw different conclusions with regard to the land ceded by Maryland and the land ceded by Virginia.

So when the case is made here on the Senate floor as to the precedent involving the land ceded from Virginia, which was given back to Virginia by retrocession, it turns out to be no precedent at all. There is no logical reason today why the people of the District ought to be a part of Maryland 200 years after the land was ceded.

Mr. President, I make these remarks because I think that consideration of this issue ought to have some understanding of the completely different historical patterns of development and the relationship between the District, Virginia, and Maryland.

Others in the debate have commented on the precedent of the 23d amendment, which is much more reliable as a precedent, and which indicated very clearly that Congress recognized the people in the District of Columbia were entitled to express their views independently in Presidential elections, not tied to any other State.

Mr. President, I ask unanimous consent that two memorandums prepared by Virginia A. McMurtry of the Library of Congress on these historical points, one dated February 13, 1978, and the other dated July 21, 1975, may be printed in the RECORD.

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

ESTABLISHMENT OF THE DISTRICT OF COLUMBIA AND HISTORY OF RETROCESSION EFFORTS, FEBRUARY 13, 1978

The first reference to the subject of a "permanent residence" for the seat of the American government to be found in the records of the national legislature adopted on June 4, 1783. At this time the Second Continental Congress, meeting in Philadelphia, set a date on October for consideration of offers from two States for proposed sites.

Meanwhile, on June 21, 1783, the so-called "Philadelphia mutiny" occurred, an episode of continuing significance in the ensuing years whenever the subject of a national capital was discussed. On this day some 80 to 250 (accounts vary as to the precise number) Revolutionary Army troops, not yet deactivated and disobeying the orders of their officers, marched on and surrounded Independence Hall in Philadelphia where the Continental Congress was in session. The objective of the mutineers in coming to Philadelphia was to petition the Congress directly for the many months of back pay due to them. However, the troops were armed, angry, and lacking in leadership. In response to the potential dangers posed by the presence of the mutineers, the Congress requested police or militia protection from the Pennsylvania authorities, but the request was denied. So the Members, humiliated and fearing physical violence, could but bar the doors and shutters of the chamber and wait. Fortunately, the troops dispersed by evening, whereupon the Congress voted to move to Princeton, New Jersey, where the local authorities promised adequate protection. This episode convinced James Madison, along with others, of the necessity of establishing a capital city under the exclusive jurisdiction of the Congress, an idea subsequently embodied in the Constitution of 1787.

Although the designation of a site for the Capital City had been a matter of heated discussion for several years, the Constitutional Convention specified no precise location. Rather, Article I, section 8, clause 17, stipulated that Congress would have the power "To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten miles square), as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States. . . ." While various geographic concerns were voiced during the deliberations on the subject, an underlying theme related to perceptions of economic advantage. There existed a general assumption that—

Wherever Congress chose to locate the federal city, there a great commercial center would arise. That conviction explains more fully than any consideration of prestige or legislators' convenience why sectional controversy had run so strong during the congressional debates on the "residence" bill.[1]

Thus, the various States offering land for the purpose—Maryland, New Jersey, New York, Pennsylvania, and Virginia—had all indicated a willingness to relinquish any vestige of State authority over the ceded territory.

The issue was resolved by Act of July 16, 1790 (1 Stat. 130), whereby the Congress determined that Philadelphia would serve for ten years as the temporary seat of the Federal Government. Then on the first Monday in December of 1800 the United States Government was to be transferred to a permanent location in a district not exceeding ten miles square (as provided in the Constitution) to be located on the Potomac River "at some place between the mouths of the Eastern Branch and the Connogocheague." The law further authorized commissioners appointed by the President to survey and define precisely the boundaries of the area, to be derived from sections of land on either side of the Potomac River ceded from the States of Maryland and Virginia, in 1788 and 1789, respectively.[2]

Discussion concerning possible retrocession of the land which thus came to comprise the District back to Maryland and Virginia, as a possible solution to the disenfranchisement of the area's residents as well as other grievances, began shortly after 1800. As described in one source:

The first efforts for retrocession were made by the residents of Georgetown in 1803. A bill to retrocede to the State of Maryland her portion of the District was introduced in Congress and received 26 votes in the affirmative. The effort for retrocession was renewed the next year, in 1804, and again in 1818 and 1834. . . . But as soon as the law enacted by Congress in 1801 brought them under the exclusive legislation of Congress, with loss of the rights of citizenship in the states, they at once began to lament their loss of political rights, and to agitate for retrocession.[3]

The periodic efforts of Georgetown to be re-ceded to Maryland proved unsuccessful, but in 1846 the Virginia portion of the District, known as the County of Alexandria, was retroceded. The situation of the former Virginia territory differed from that of the Maryland in two important respects. First, the Federal Government as of the mid-Nineteenth Century had not used any of the land across the Potomac in the Virginia section for Federal buildings, and, equally important, the State Legislature in Richmond (unlike its counterpart in Annapolis) was willing to take back the previously ceded areas. On July 9, 1846, Congress agreed to the retrocession of the County of Alexandria (9 Stat. 35), contingent upon the approval of the residents of the affected area. Following the vote by the residents in favor of retrocession, the action was finalized on September 7, 1846 via Presidential proclamation.[4] The constitutionality of the retrocession was upheld by the Supreme Court in 1876, in the case of *Phillips* v. *Payne*. As a result of the 1846 retrocession to Virginia, the area of the District, originally one hundred square miles, was reduced to the approximately sixty-nine square miles retained to the present.

Footnote at end of article.

Over the years hearings on "home rule" for the District of Columbia have often been concerned in part with legislation proposing the retrocession of portions of the District to the State of Maryland. For example, the House Committee on the District of Columbia considered the issue of retrocessions in hearings occuring in the 83rd, 84th, 85th, 86th, 88th, 89th, and 92nd Congresses, while the Senate Committee on the District of Columbia examined the retrocession subject in hearings during 1953 and 1959. The only retrocession legislation reported in the post-World War II era occurred in 1965, when the House District Committee reported H.R. 10115 (House Rept. 89–957).

FOOTNOTES

[1] Green, Constance McLaughlin, Washington: Village and Capital, 1800–1878. Princeton University Press, 1962.

[2] Maryland Laws 1798, ch. 2, p. 46; Laws of Virginia 43 (Hening 1789).

[3] Casselman, Amos B. The Virginia Portion of the District of Columbia. Records of the Columbia Historical Society. v. 12. Washington, 1909. p. 126.

[4] For a more detailed discussion of the Virginia retrocession and the legal considerations involved, sec: U.S. Congress. Senate. Committee on the District of Columbia. Retrocession Act of 1846. Washington, U.S. Govt. Print. Off., 1910 (61st Congress, 2nd session; Senate Doc. 286).

SELECTION OF THE SITE FOR THE NATION'S CAPITAL AND NOTABLE QUOTATIONS PERTAINING THERETO, JULY 21, 1975

This is written in response to your request for information on the above, as clarified during our telephone conversation of 16 July 1975. In order to fully comprehend the specific compromise worked out in 1790 between Thomas Jefferson, then Secretary of State, and Alexander Hamilton, then Secretary of the Treasury, which resulted in the approval by the Congress of a site on the Potomac River, subsequently to be known as the District of Columbia, as the Nation's Capital, one should briefly survey the various background considerations and events leading up to this ultimate selection. In this way one is able to view the details of the compromise in the appropriate context.

The first reference to the subject of a "permanent residence" for seat of the national government to be found in the records of the national legislature appeared on June 4, 1783. At this time the Second Continental Congress, meeting in Philadelphia, set a date in October for consideration of offers from two states for proposed sites.[1]

Meanwhile, on June 21, 1783, the so-called "Philadelphia mutiny" occurred, an episode of continuing significance in the ensuing years whenever the subject of a national capital was discussed. On this day some 80 to 250 (accounts vary as to the precise number) Revolutionary Army troops, not yet deactivated and disobeying the orders of their offices, marched on and surrounded Independence Hall in Philadelphia where the Continental Congress was in session. The objective of the mutineers in coming to Philadelphia was to petition the Congress directly for the many months of back pay to them. However, the troops were armed, angry, and lacking in leadership. In response to the potential dangers posed by the presence of the mutineers, the Congress requested police or militia protection from the Pennsylvania authorities, but the request was denied. So the Members, humiliated and fearing physical violence, could but bar the doors and shutters of the chamber and wait. Fortunately, the troops dispersed by evening, whereupon the Congress voted to move to Princeton, New Jersey, where the local authorities promised adequate protection. This episode convinced James Madison, along with others, of the necessity of establishing a capital city under the exclusive jurisdiction of the Congress, an idea subsequently embodied in Article I. section 8, clause 17 of the Constitution in 1787.

Discussion and at times rather heated debate concerning the matter of the location of the capital city continued intermittently for some seven years, 1783–1790. During this period the Congress had met in several cities: Philadelphia, Princeton, Annapolis, Trenton, and New York, the locale for the assemblage of the first Congress under the new Constitution in 1789. Although various geographic considerations were repeatedly brought up during the course of the discussions, an underlying theme related to perceptions of economic advantage. There existed a general assumption that wherever Congress chose to locate the federal city, there a great commercial center would arise. That conviction explains more fully than any consideration of prestige or legislators' convenience why sectional controversy had run so strong during the congressional debate on the "residence" bill.[2]

Several months before debate on the issue commenced in the new Congress, some half-dozen cities and states had made offers of land for the site.

By the time the new Congress turned its attention to the matter of the site for the capital, late in the 1789 session, there was widespread consensus on certain geographic prerequisites: the site should be in a central location and should be on a navigable river far enough from the Atlantic Ocean as to be safe from attacks by sea while concurrently providing communication links with the country to the west, beyond the Alleghanies, where future growth was anticipated. A "central" location was a matter of debate, however, since "whereas some men defined central as geographically half-way between southern Georgia and northern New Hampshire, to others the term meant center of population, a point considerably north of Virginia, even were slaves counted."[3]

It seems clear from the records of the House debate in September of 1789 that the choice, as perceived by members of that body, had narrowed to two possible locations: Georgetown, near the lower falls of the Potomac, and Wrights Fall, Pennsylvania, near the falls of the Susquehanna River. On September 22, 1789, after four full days of debate on the site-location matter, the House approved a measure naming the latter option, the Susquehanna, as the permanent site, while designating New York City as the temporary location. Comparable records of the debate in the Senate are not available, but apparently discussion there was not confined to the relative advantages and disadvantages of the Susquehanna and Potomac locations. Among various changes which the Senate made in the House bill was the substitution of Germantown and past of the Northern Liberties of Philadelphia for the site on the Susquehanna. After receiving the bill as substantially revised by the Senate, the House proceeded to make additional alterations, and returned the bill to the Senate, where final action was postponed until the next session of Congress, scheduled to convene in 1790.[4]

In May of 1790 the House again turned attention to the matter of site location; however, it was decided to defer consideration of a permanent place and to focus only on the question of a temporary location. On May 31, 1790, the House approved a measure, stipulating that the next session of Congress was to be held in Philadelphia, but the Senate did not concur. On June 11, the House passed a resolution calling for Baltimore as the locale for the following session. Meanwhile, the Senate ignored the issue of temporary location and concentrated on the long-term matter of a permanent capital city. A Senate committee had recommended the selection of a Potomac site somewhere "between the mouths of the Eastern Branch and Conogocheague," and the full Senate approved the bill as reported with slight amendment by a vote of 14–12 on July 1, 1790.

The Senate bill then went to the House where, after three days of debate, it was approved by a vote of 29–22 on July 9. The "residence bill" became law on July 16 and provided in brief that the temporary seat of government was to be moved to Philadelphia (from New York City where Congress was currently meeting) and was to remain there for ten years. On the first Monday in December of 1800 the United States Government was to be transferred to a permanent location in a district not exceeding ten miles square (as provided in the Constitution) to be located on the Potomac River "at some place between the mouths of the Eastern Branch and the Connogocheague." It is noteworthy that this legislation neither provided a specific name for "said district," nor did it stipulate the precise location of the site; instead the law authorized the President to appoint three commissioners "who shall under the direction of the President survey and define said district. . . ."[5]

The selection of the Potomac site met various of the geographic requirements as outlined above. However, since debate on the issue has dragged on for several years, the relative speed with which the ultimate proposal was approved in 1790 on the surface appears rather curious. The situation upon further examination becomes readily comprehensible as an early instance of what in contemporary parlance is termed "logrolling," or the "legislative practice whereby reciprocal agreements are made between legislators, usually in voting for or against a bill ('an aye for an aye.')."[6] As one historian has explained,

It is quite clear from the accounts of contemporaries, as well as by at least one reference in the final debate in the house, and the same conclusion might be drawn from the legislative history of the bill, more especially in the second session of the first congress, that the residence bill was the result of what was then described as 'a bargain,' but which as a familiar feature of legislative procedure, is more commonly spoken of as a compromise.[7]

At the same time that the First Congress was wrestling with the issue of a location for the national capital, an equally controversial topic of great importance was also pending: the funding of the public debt and the assumption by the national government of the state debts incurred during the Revolution. The division of opinion in the Congress on the two issues resulted in roughly comparable northern states-southern states alignments. The states from Pennsylvania north generally favored assumption of the debts, since the majority of the creditors resided in this region. The predominantly agricultural southern states, on the other hand, were less concerned with the needs of this emerging commercial class. With respect to the location of the permanent capital, as noted previously, there was some consensus on the need for a "central" location, but the southern states advocated the "geographic center" of the country in the Potomac region, whereas the northern states favored the idea of the "population center" further north.

Alexander Hamilton, the Secretary of the Treasury, was a strong proponent of funding the public debt as well as the state debts by means of obligations to be assumed by the Federal Government. By June of 1790 the prospects for successful passage of an "assumptionist" bill appeared slim, as the measure had already been defeated in the House. So Hamilton devised a plan in an attempt to resolve the impasse with respect to both the residence and funding bills: arrange sufficient northern votes to approve the Po-

Footnotes at end of article.

tomac River location for the capital in exchange for a promise of enough southern votes to ensure passage of the funding bill.

Hamilton decided to approach Thomas Jefferson with the proposal. Since Jefferson was currently serving as Secretary of State, he might be appealed to for support on the assumption of the debt from the perspective of "administration unity" and overriding "national interest." And as a Southerner, Jefferson was known to favor the Potomac River location for the capital, because he thought that establishment of the seat of government there would attract "foreigners, manufacturers and settlers" to Virginia and Maryland, thereby gradually shifting the centers of both national population and power southward.[8]

Against this background there was a chance meeting between Hamilton and Jefferson on the sidewalk in front of the President's New York City residence in mid-June, 1790, which provided Hamilton with a convenient opportunity to broach the subject to Jefferson. The next evening, at Hamilton's request, Jefferson arranged a dinner at his home to which he invited two Virginia congressmen, in addition to Hamilton. As historian Constance M. Green summarizes the episode, with its lasting implications:

Over Jefferson's supper table in New York, the two cabinet members and congressmen Richard Bland Lee and Alexander White of Virginia agreed that, in return for Hamilton's aligning northern support for a southern capital, the Virginians would vote for federal assumption of the state debts incurred during the Revolution.[9]

An account of the events surrounding the final compromise is also provided in Jefferson's collection of notes, which he called his "Anas," as follows:

Hamilton was in despair. As I was going to the President's one day, I met him in the street. He walked me backwards and forwards before the President's door for half an hour. He painted pathetically the temper into which the legislature had been wrought, the disgust of those who were called the creditor States, the danger of the secession of their members, and the separation of the States. He observed that the members of the administration ought to act in concert, that tho' this question was not of my department, yet a common duty should make it a common concern; that the President was the center on which all administrative questions ultimately rested, and that all of us should rally around him and support with joint efforts measures approved by him; and that the question having been lost by a small majority only, it was probable that an appeal from me to the judgment and discretion of some of my friends might affect a change in the vote, and the machine of government, now suspended, might be again set in motion.

I told him that I was really a stranger to the whole subject; not having yet informed myself of the system of finances adopted. I knew not how far this was a necessary sequence; that undoubtedly if its rejection endangered a dissolution of our Union at this incipient stage. I should deem that the most unfortunate of all consequences, to avert which all partial and temporary evils should be yielded. I proposed to him, however, to dine with me the next day, and I would invite another friend or two, bring them into conference together, and I thought it impossible that reasonable men, consulting together cooly, could fail, by some mutual sacrifices of opinion, to form a compromise which was to save the Union. The discussion took place. I could take no part in it but an exhortatory one, because I was a stranger to the circumstances which should govern it. But it was finally agreed that whatever importance had been attached to the rejection of this proposition the preservation of the Union and of the concord among the States was most important, and that therefore it would be better that the vote of rejection should be rescinded, to effect which some members should change their votes. But it was observed that this pill would be peculiarly bitter to the Southern States, and that some concomitant measure should be adopted to sweeten it a little to them. There had before been propositions to fix the seat of government either at Philadelphia or at Georgetown on the Potomac; and it was thought that by giving it to Philadelphia for ten years and to Georgetown permanently afterwards this might, as an anodyne, calm in some degree the ferment which might be excited by the other measure alone. So two of the Potomac members (White and Lee, but White with a revulsion of stomach almost convulsive) agreed to change their votes, and Hamilton undertook to carry the other point.[10]

And so the compromise was implemented. To complete the narrative, the funding bill was approved by the Congress and signed into law on August 9, 1790.

There are few quotations readily available relating to the selection of the District of Columbia per se as the location for the permanent capital by contemporaries of Hamilton and Jefferson. This is understandable in light of the preceding discussion. For one thing, the Residence Act of 1790 did not stipulate the precise location, but only that it would be on the Potomac River and so on as cited previously. An even more fundamental problem in searching for quotations on the "District of Columbia" is that the name was not designated in the act or even mentioned in the debates on the issue; instead it appears that the first Board of Commissioners of the Capital, appointed by Washington, decided upon the name. In a letter of September 9, 1791, to Major L'Enfant, the Commissioners noted: "We have agreed that the federal District shall be called 'The Territory of Columbia,' and the federal City 'The City of Washington'. . . ." [11]

With regard to impressions of the government officials at the time of the move to the permanent location in 1800, the historian Bryan reports that only two accounts have been preserved. One description is found in a letter written on July 11, 1790, by Abraham Bradley, the Assistant Postmaster-General, who was in charge of moving the offices of that Department to the new city. Oliver Wolcott, the Secretary of the Treasury, also mentions the city in a letter of July 4, 1790. In addition, a letter written by President Adams' wife Abigail to their daughter in November of 1800 is extant. After offering a very candid appraisal of the city in 1800, Mrs. Adams concludes with the observation that Washington "is a beautiful spot, capable of every improvement, and, the more I view it, the more I am delighted with it." [12]

We trust that we have been responsive to your request and that this information proves useful for your purposes. If we can be of further assistance in this, or any other matter, please feel free to contact us at 426-5821.

FOOTNOTES

[1] Bryan, Wilhelmus Bogart. A History of the National Capital. Vol. I. New York. Macmillan Company (1914) p. 8.

[2] Green, Constance McLaughlin. Washington: Village and Capital, 1800-1878. Princeton, Princeton University Press (1962) p. 7.

[3] Ibid.

[4] Bryan, pp. 29-35.

[5] Bryan, pp. 36-39.

[6] American Government 73/74 Encyclopedia. Guilford, Conn. Dushkin Publishing Group (1973) p. 184.

[7] Bryan, p. 41.

[8] Green, p. 7.

[9] Ibid., p. 8.

[10] Cited in Tindall, William. Standard History of the City of Washington. Knoxville, Tenn., H. W. Crew (1914), pp. 29-30.

[11] Tindall, p. 121.

[12] See Bryan, pp. 353-54 and Weisberger, Bernard A. (ed.). The District of Columbia. New York, Time-Life Books (1968), p. 37. Excerpts from these sources are attached.

Mr. KENNEDY. Mr. President, a related issue in the current debate is the extent of the Federal presence in the District of Columbia. While the District is, of course, the Federal City and has a substantial Federal presence, it is hardly unique in many of the aspects by which the Federal presence is measured.

In fact, by one of the most obvious measures—the percentage of land area owned by the Federal Government—the District of Columbia at 38 percent ranks below eight States: Alaska, 96 percent Arizona, 43 percent, California, 45 percent, Idaho, 66 percent, Nevada, 85 percent, Oregon, 52 percent, Utah, 64 percent, and Wyoming, 48 percent.

Recently, I asked the Library of Congress to provide a summary of the major Federal installations in the States and the District of Columbia. According to the Library of Congress, the information proved remarkably difficult to assemble. But with its usual skillful effort, the Library has produced an excellent and informative result that gives a very clear view of the Federal presence not only in the District of Columbia, but in all 50 States. The summary is convincing evidence that arguments based on the so-called excessive Federal presence in the District of Columbia provide no justification for denying full voting representation in Congress to the District of Columbia.

Mr. President, I ask unanimous consent that the report and analysis of the Library of Congress may be printed in the RECORD.

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

MAJOR FEDERAL INSTALLATIONS IN THE U.S., BY STATE

(By Susan Schjelderup, Analyst in American National Government, Government Division, Congressional Research Service, Library of Congress, Aug. 3, 1978)

INTRODUCTION: ASSESSING THE EXTENT OF "FEDERAL GOVERNMENT PRESENCES"

The report responds to the question: What useful indicators can be given of the nature and extent of Federal presence in each of the fifty States? In particular, which indicators are commonly recognized and easily observed by the public? However defined, that presence is substantial and pervasive. No general agreement exists, however, in law or literature, as to a definition of Federal presence; hence, the answer to this question begins with a selection of a definition. Until that is settled, the answers may be imprecise because of differences in the data available to describe the selected elements.

A variety of indicators could be selected to define and describe the extent of Federal presence in each of the fifty States. One method is to ascertain the Federal impact aid to school districts for each State. Federal impact aid purports to be a payment in lieu of the taxes that would have been earned by a State or local government in the form of property taxes had the land been under private ownership and not under the control of the Federal government. It is actually computed according to a formula of social fac-

tors and is not assessed market value of the property. Other methods are to compare the operating budgets, total personnel or real property holdings administered by the field offices and installations of all the Federal agencies in each of the States. An analysis of real property owned by the U.S. is another measure of Federal presence in each State. The annual inventory of Federal real property undertaken by the General Services Administration yields more reliable and comprehensive data than the other methods for determining Federal presence in the States. Thus, the research method for deriving a list of major Federal installations in each State is based on the summary analysis of real property presented in GSA Summary Report on Real Property Owned by the United States Throughout the World, As of September 30, 1976.

The scope of Federal presence across the nation can be appreciated by the number of categories of real property owned by the U.S. and by the extent to which the Federal government maintains a greater share of holdings in these categories than non-Federal property holders. Categories of Federal property ownership are land, buildings, and structures and facilities.

The first category of Federal real property is land. The Federal government owns 33.5 percent, or 762.2 million acres of land in the U.S.[1] The acquisition cost of Federally owned land in the fifty States is $87.625 billion. That cost for land in the District of Columbia is $1.515 billion. The chart below is a geographic representation of the percentage of land owned by the Federal government in the U.S. [Chart not included in RECORD.]

The table below presents a comparison of Federally owned land with the total acreage of States:

[1] The source for the statistics on land, buildings and structures is the General Services Administration *Summary Report of Real Property Owned by the United States Throughout the World, As of September 30, 1976*, pages 18, 20, 22, 26, 28, 49, 56–57, and 84–89.

TABLE 4.—COMPARISON OF FEDERALLY OWNED LAND WITH TOTAL ACREAGE OF STATES

State	Acreage owned by the Federal Government			Acreage not owned by Federal Government	Acreage of State [1]	Percent owned by Government [2]
	Public domain	Acquired by other methods	Total			
Alabama	29,602.6	1,098,719.6	1,128,322.2	31,550,077.8	32,678,400	3.453
Alaska	352,379,020.1	20,277.1	352,399,297.2	13,082,302.8	365,481,600	96.421
Arizona	31,427,175.0	313,541.7	31,740,716.7	40,947,283.3	72,688,000	43.667
Arkansas	1,072,981.6	2,247,247.1	3,320,228.7	30,279,131.3	33,599,360	9.882
California	43,176,384.5	2,362,641.2	45,539,025.7	54,667,694.3	100,206,720	45.445
Colorado	22,882,567.4	1,085,841.2	23,968,408.6	42,517,351.4	66,485,760	36.050
Connecticut	0	9,393.5	9,393.5	3,125,966.5	3,135,360	.300
Delaware	0	40,834.8	40,834.8	1,225,085.2	1,265,920	3.226
District of Columbia	0	15,098.8	15,098.8	23,941.2	39,040	38.675
Florida	370,629.7	3,238,559.2	3,609,188.9	31,112,091.1	34,721,280	10.395
Georgia	0	2,222,983.4	2,222,983.4	35,072,376.6	37,295,360	5.961
Hawaii	37,472.4	370,421.6	407,894.0	3,697,706.0	4,105,600	9.935
Idaho	32,908,558.0	2,473,494.3	35,382,052.3	17,551,067.7	52,933,120	66.813
Illinois	437.2	563,882.9	564,320.1	35,230,879.9	35,795,200	1.577
Indiana	432.0	490,801.6	491,233.6	22,667,166.4	23,158,400	2.121
Iowa	340.8	224,310.1	224,650.9	35,635,829.1	35,860,480	.627
Kansas	26,331.0	695,049.6	721,380.6	51,789,339.4	52,510,720	1.374
Kentucky	0	1,366,467.0	1,366,467.0	24,145,853.0	25,512,320	5.356
Louisiana	25,185.4	1,033,801.6	1,058,987.0	27,808,853.0	28,857,840	3.668
Maine	0	134,237.6	134,237.6	19,713,442.4	19,847,680	.678
Maryland	0	205,477.7	205,477.7	6,113,882.3	6,319,360	3.252
Massachusetts	0	86,059.0	86,059.0	4,948,821.0	5,034,880	1.709
Michigan	296,594.6	3,125,555.6	3,422,150.2	33,070,009.8	36,492,160	9.378
Minnesota	1,251,288.1	2,165,552.1	3,416,840.2	47,788,919.8	51,205,760	6.673
Mississippi	2,454.1	1,667,957.9	1,670,412.0	28,552,308.0	30,222,720	5.527
Missouri	2,647.3	2,168,954.7	2,171,602.0	42,076,718.0	44,248,320	4.908
Montana	25,222,919.3	2,371,845.8	27,594,765.1	65,676,274.9	93,271,040	29.586
Nebraska	244,456.3	450,152.5	694,608.8	48,337,071.2	49,031,680	1.417
Nevada	60,116,055.0	203,281.2	60,319,336.2	9,944,983.8	70,264,320	85.846
New Hampshire	0	710,628.1	710,628.1	5,058,331.9	5,768,960	12.318
New Jersey	0	131,691.0	131,691.0	4,681,749.0	4,813,440	2.736
New Mexico	24,306,141.6	1,844,008.6	26,150,150.2	51,616,249.8	77,766,400	33.627
New York	0	246,711.3	246,711.3	30,434,248.7	30,680,960	.804
North Carolina	0	2,009,113.1	2,009,113.1	29,393,766.9	31,402,880	6.398
North Dakota	208,769.4	2,150,325.7	2,359,095.1	42,093,384.9	44,452,480	5.307
Ohio	220.0	333,850.9	334,070.9	25,888,009.1	26,222,080	1.274
Oklahoma	149,612.1	1,409,859.1	1,559,471.2	42,528,208.8	44,087,680	3.537
Oregon	30,930,696.2	1,368,659.2	32,299,355.4	29,299,364.6	61,598,720	52.435
Pennsylvania	0	675,130.5	675,130.5	28,129,349.5	28,804,480	2.344
Rhode Island	0	7,466.6	7,466.6	669,653.4	677,120	1.103
South Carolina	0	1,138,475.7	1,138,475.7	18,235,604.3	19,374,080	5.876
South Dakota	1,600,834.3	1,792,419.0	3,393,253.3	45,488,666.7	48,881,920	6.942
Tennessee	0	1,799,903.1	1,799,903.1	24,927,776.9	26,727,680	6.734
Texas	0	3,252,285.1	3,252,285.1	164,965,314.9	168,217,600	1.933
Utah	33,681,075.7	544,523.2	34,225,598.9	18,471,361.1	52,696,960	64.948
Vermont	0	285,679.9	285,679.9	5,650,960.1	5,936,640	4.812
Virginia	0	2,344,099.8	2,344,099.8	23,152,220.2	25,496,320	9.194
Washington	11,072,227.7	1,350,687.1	12,422,914.8	30,270,845.2	42,693,760	29.098
West Virginia	0	1,081,201.0	1,081,201.0	14,329,359.0	15,410,560	7.016
Wisconsin	10,073.4	1,837,711.4	1,847,784.8	33,163,415.2	35,011,200	5.278
Wyoming	29,360,122.4	632,206.7	29,992,329.1	32,350,710.9	62,343,040	48.109
Total	702,793,305.2	59,399,076.5	762,192,381.7	1,509,150,978.3	2,271,343,360	33.557

[1] Source: U.S. Census of Population.
[2] Excludes trust properties.

Source: General Services Administration, "Summary Report on Real Property Owned by the United States Throughout the World, As of Sept. 30, 1976, Government Printing Office, stock No. 022-000-0014-2, p. 49.

The use of this land varies for each State, but categories of Federal use as a whole (in descending order of acres) and the percentage of total Federal land use are:

	Percent
Forest and wildlife	66.2
Grazing	21.5
Parks and historic sites	3.5
Alaska oil and gas reserves	3.0
Military, except airfields	2.4
Flood control and navigation	1.0
Reclamation and irrigation	0.8
Industrial	0.4
Alaska native reserves	0.4
Airfields	0.2
Research and development	0.2
Power development and distribution	0.2
Other uses	0.2

Were these same categories to be arranged according to acquisition costs, however, flood control and navigation, parks and historic sites, forest and wildlife, office building locations and military uses would predominate the list.

The second category of Federal real property is buildings. The Federal government owns 405,043 buildings in the United States for which the total acquisition cost, including capital improvements, is $37.3 billion.[2] The usage categories of Federal buildings in descending order are: service, housing, office, research and development, industrial, hospital, storage, school, prison and other institutional uses, and other uses.

The third category of Federal real property is structures (other than buildings) and facilities for which the total acquisition and capital improvements cost is $44.4 billion.[3] The six usage categories that account for 76.4 percent of the total cost of U.S. structures and facilities are: power development and distribution, flood control and navigation, utility systems, roads and bridges, reclamation and irrigation, and airfield pavements.

[2] General Services Administration, op. cit. p. 26.

[3] Ibid. p. 28.

CRITERION FOR DETERMINING AND MEASUREMENTS OF MAJOR FEDERAL INSTALLATIONS IN THE STATES

The criterion for distinguishing a major Federal installation from a minor one is that it be among the "most popularly known" of Federal installations in a State.

The measure for real property holdings in land is acres. Although the Federal government holds more land in forest and wild-

life, and in grazing, it is assumed that national parks and historic sites, as a class of Federal land use, are more popularly known than forests and grazing lands. It would have been possible to select most popularly known national parks on the basis of attendance, but since attendance in the various national parks fluctuates over the years, it was concluded to be a less reliable measure than the number of Federal acres in each national park.

The source for deriving the largest national parks in each State is a publication of the U.S. Department of the Interior, National Park Service, Index, National Park System and Affiliated Areas, as of June 30, 1977.

The measure for real property in buildings is square feet of floor area. To arrive at the most popularly known Federal buildings in each State, data was compiled from each of the ten GSA Regional Offices. Each Regional Office supplied a list of the twelve largest buildings on the basis of floor space used for offices. While more floor space of Federal buildings is used in the GSA "service" category, which includes use by the Department of Defense, the Energy Research and Development Administration, the National Aeronautics and Space Administration, and the Veterans Administration, the "office" use category was selected. This was done on the assumption that Federal offices, as a class of Federal building use, would be more popularly known. The GSA data was drawn from Federal office space, whether owned or leased to the U.S., used for civilian purposes.

The Federal structures and facilities category was eliminated as a category of major installations, and military bases were used as the third category of major Federal installations.

The measure for distinguishing major military bases from minor ones was total military and civilian personnel on base. Other measures, such as operating costs, land in acres, total military personnel, or total population supported by the base are possible. The total number of military and civilian personnel on a base was arbitrarily selected as a more likely indicator for a popularly known Federal installation. The source used for determining major military bases is the Department of Defense publication, "Base Structure Annex to Manpower Requirements Report for FY 1979," compiled by the Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics for February 1978. A more reliable document, according to that office, is its Report on Domestic Base Factors, Fiscal Year 1977, prepared in May 1978, but it was not received until after the research had been completed.

QUALIFYING REMARKS ON THE RELIABILITY OF MEASURES SELECTED

I. National parks

Since the national parks listed were selected on the basis of land in acres owned by the U.S., some parks, historic sites or other areas representing substantial Federal acreage may be excluded from the list for the following reasons:

1. A more popularly-known park in a State may actually be comprised of fewer Federally-owned acres than a less popularly-known park in that State. This is particularly likely in a State having many national parks of vast Federal acreage. This describes all western States, where the Federal government owns 47.7 percent of the area constituting the western States, each of which is considerably larger than most non-western States. Attendance statistics show, for example, that the Golden Gate National Recreation Area is more popular than the Death Valley National Monument, but because it contains less Federal acreage it was excluded. The more popular park with less Federally-owned acreage than the one with greater Federal acreage might also be excluded in a State that has few parks and in which Federal acreage is comparatively slight. For example, the John F. Kennedy National Historic Site in Brookline, Massachusetts is .09 acres, all Federally-owned. It may be more popularly-known than the Adams National Historic Site which is on 8.4 acres, all Federally-owned. Since the criterion for selection was Federally-owned land in acres, however, the Adams site was included and the Kennedy site was excluded. On the other hand, in an attempt to comply with the "popularly known" criterion, Mount Vernon, Virginia was selected over Colonial National Historical Park in Yorktown, Virginia, despite the latter's greater Federal acreage, on the basis of this Northern Virginian's opinion that the former is more popularly known. Further, a more popular installation may be "hidden" in another installation, such as the Grand Teton Dam in the Grand Teton National Park.

2. There are some complicating factors related to the number of jurisdictions over Federal real property assigned to various agencies, and to shared jurisdictions between the Federal government and non-Federal entities. (a) The multiple jurisdictions aspect is illustrated by the fact that of Federal real property holders, the Department of the Interior, through its National Parks Service, Geological Survey, Fish and Wildlife Service, and Bureau of Land Management; the Department of Agriculture, through its Forest Service; the Tennessee Valley Authority; and the Army Corps of Engineers account for 95.2 percent of all Federally-owned land. Different locations on the same property may be controlled by the Forest Service and the National Parks Service. For example, land above the fourteen thousand foot contour at the summit of Pike's Peak is administered as a national historic landmark by the National Parks Service of the Department of the Interior, whereas the base of Pike's Peak, located in the Pike National Forest, is controlled by the Forest Service of the Department of Agriculture. Since only national parks are listed, mountainous landmarks that may be more popularly known than national parks but which are administered by the Forest Service are necessarily excluded. Similarly, dams administered by the Tennessee Valley Authority may be more popularly known as Federal installations in their respective States than national parks, yet these are excluded from the list. (b) The complicating factor relating to shared jurisdictions between the Federal government and non-Federal entities is suggested by the possibility that a largely State-owned, or largely privately-owned, national park which does contain Federal acreage may be more popular than a largely Federally-owned national park. However, only the latter would be included on the list.

3. There should be greater weight in terms of popularity given to national parks in the western States than to those in the Midwest and the East for two reasons: (a) There are more national parks in the West than elsewhere in the U.S. Delaware has no national parks or historic sites. Connecticut contains only one park, the Appalachian National Scenic Trail, which it shares with many other eastern States. In cases where a State has less than five national parks but contains part of a park largely located in another State, this is indicated by a parenthetical remark to see the other State. A national park may be identified with a particular State, but unless otherwise noted only the Federal acreage in that State is given here. (b) Most national parks selected from the western States contain far more Federally-owned acreage than do the largest national parks of most other States.

II. Federal buildings

Federal buildings are listed, in descending order of total floor space used for offices, under their commonly known name. In many instances these names are non-descriptive titles such as "Federal Plaza," or misleading titles such as "Federal Building/Post Office" when the occupant holding the largest amount of floor space is not the one suggested by the building title. Therefore, the major Federal tenant in the building is given in parentheses.

Five GSA Regional Offices provided data based on total floor space occupied in the building, while five supplied data based on total floor space occupiable. Occupiable floor space includes occupied space and unused space, and thus reflects a greater amount of total space in the building. The Regional Offices that based their data on occupiable space are:

III. Delaware, Maryland, Pennsylvania, Virginia, and West Virginia;

VII. Iowa, Kansas, Missouri, and Nebraska;

VIII. Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming;

IX. Arizona, California, Hawaii, and Nevada; and

X. Alaska, Idaho, Oregon, and Washington.

III. Military bases

For most States, five of the largest military bases (in terms of total personnel) were selected from the total number of bases listed in the source. In States with comparably more bases than other States, such as California, Virginia, and Florida, six or more military bases were selected. Where fewer than five bases are listed in a particular State, those identified represent the only bases supplied by the source.

All arsenals, camps and depots (unless otherwise indicated) are controlled by the U.S. Army.

MAJOR FEDERAL INSTALLATIONS IN THE UNITED STATES, BY STATE

ALABAMA

National parks

Natchez Trace Parkway. (Also in MS and TN), 4,175 Federal acres.

Horseshoe Bend National Military Park, Daviston, 2,040 Federal acres.

Russell Cave National Monument, Bridgeport, 310 Federal acres.

Tuskegee Institute National Historic Site, Tuskegee Institute, 20 Federal acres.

Military bases

Redstone Arsenal, Huntsville, 11,999 employees.

Ft. Rucker, Daleville, 9,229 employees.

Anniston Army Depot, Anniston, 5,054 employees.

Maxwell Air Force Base, Montgomery, 4,192 employees.

Gunter Air Force Station, Montgomery, 2,322 employees.

Federal buildings

12th Avenue Building, Birmingham (Social Security Administration), 579,808 sq. ft.

Ballistic Missile Center, Huntsville (U.S. Army: Ballistic Missile Defense Systems Command), 265,940 sq. ft.

2121 Building, Birmingham (Internal Revenue Service), 128,215 sq. ft.

Federal Building/Courthouse, Birmingham (U.S. Courts), 81,436 sq. ft.

Treasury Distribution Center, Homewood (Bureau of Govt. Financial Operations), 61,403 sq. ft.

South Twentieth Building, Birmingham (Defense Logistics Agency), 41,337 sq. ft.

ALASKA

National parks

Glacier Bay National Monument, Juneau, 2,805,071 Federal acres.

Katmai National Monument, King Salmon, 2,792,131 Federal acres.

Mount McKinley National Park, McKinley Park, 1,939,492 Federal acres.

Klondike Gold Rush National Historical Park, Skagway, 10,996 Federal acres.

Sitka National Historical Park, Sitka, 107 Federal acres.

Military bases

Elmendorf Air Force Base, Anchorage, 7,658 employees.

Ft. Richardson, Anchorage, 7,606 employees.

Ft. Wainwright, Fairbanks, 2,983 employees.

Elelson Air Force Base, North Pole, 2,908 employees.

Naval Station, Adak, 996 employees.

Federal buildings

Federal Building/Courthouse, Anchorage (Federal Aviation Administration), 507,000 sq. ft.

Federal Building/Post Office and Courthouse (Coast Guard, Forest Service), 204,000 sq. ft.

ARIZONA

National parks

Grand Canyon National Park, Grand Canyon, 1,176,913 Federal acres.

Lake Meade National Recreation Area (also in NV), 586,005 Federal acres.

Organ Pipe Cactus National Monument, Ajo, 329,199 Federal acres.

Death Valley National Monument (Also in CA), 110,812 Federal acres.

Glen Canyon National Recreation Area (Also in UT), 95,725 Federal acres.

Petrified Forest National Park, Petrified Forest National Park, 93,492 Federal acres.

Military bases

Ft. Huachuca, Sierra Vista, 9,790 employees.

Davis-Monthan Air Force Base, Tucson, 7,719 employees.

Luke Air Force Base, Litchfield Park, 6,772 employees.

Yuma Marine Corps Air Station, Yuma, 4,414 employees.

Williams Air Force Base, Chandler, 3,540 employees.

Federal buildings

Federal Building/Courthouse, Phoenix (U.S. District Courts), 298,946 sq. ft.

Federal Building, Tucson (Internal Revenue Service), 138,957 sq. ft.

Federal Building/Post Office, Phoenix (U.S. Postal Service), 97,060 sq. ft.

U.S. Courthouse, Tucson (U.S. District Courts, Appeals Courts), 75,099 sq. ft.

U.S. Border Station/Building 1, Nogales (U.S. Customs; Immigration and Naturalization Service), 34,102 sq. ft.

Border Station Office Building, Nogales (U.S. Customs), 20,954 sq. ft.

ARKANSAS

National parks

Buffalo National River, Harrison, 53,862 Federal acres.

Hot Springs National Park, Hot Springs National Park, 4,451 Federal acres.

Pea Ridge National Military Park, Pea Ridge, 4,278 Federal acres.

Arkansas Post National Monument, Gillet, 385 Federal acres.

Fort Smith National Historical Site, Fort Smith, 12 Federal acres.

Military bases

Little Rock Air Force Base, Jacksonville, 7,225 employees.

Blytheville Air Force Base, Blytheville, 2,961 employees.

Pine Bluff Arsenal, Pine Bluff, 1,033 employees.

Ft. Chaffee, Ft. Smith, 185 employees.

Federal buildings

Federal Building, Little Rock (Internal Revenue Service), 226,540 sq. ft.

U.S. Post Office/Courthouse, Little Rock (U.S. Postal Service) 70,486 sq. ft.

Federal Building/U.S. Post Office/Courthouse, Pine Bluff (Internal Revenue Service), 35,605 sq. ft.

Federal Building/Courthouse, Fayetteville (Social Security Administration) 32,788 sq. ft.

U.S. Post Office/Courthouse, Texarkana (U.S. Postal Service, U.S. Courts), 32,614 sq. ft.

VA Regional Office, Little Rock (Veterans Administration), 32,387 sq. ft.

CALIFORNIA

National parks

Death Valley National Monument, Death Valley, 1,938,135 Federal acres.

Yosemite National Park, Yosemite National Park, 759,171 Federal acres.

Joshua Tree National Monument, Twentynine Palms, 547,789 Federal acres.

Kings Canyon National Park, Three Rivers, 459,994 Federal acres.

Sequoia National Park, Three Rivers, 386,642 Federal acres.

Redwood National Park, Crescent City, 27,792, Federal acres.

Military bases

Naval Station, San Diego, 46,127 employees.

Camp Pendleton (Marines) Oceanside, 34,486 employees.

Fort Ord, Seaside, 20,096 employees.

McClellan Air Force Base, Sacramento, 16,313 employees.

North Island Naval Air Station, San Diego, 15,425 employees.

San Diego (Navy) Training Center, San Diego, 14,649 employees.

Alameda Naval Air Station, Alameda, 14,073 employees.

Mare Island Naval Shipyard, Vallejo, 12,674 employees.

Travis Air Force Base, Fairfield, 11,710 employees.

Miramar Naval Air Station, San Diego, 8,007 employees.

Federal buildings

Federal Building/Courthouse, San Francisco, (U.S. District Courts), 1,412,867 sq. ft.

Federal Building, Los Angeles, (Immigration and Naturalization Service) 1,193,244 sq. ft.

Federal Building, Lanuna Niguel (National Archives and Records), 1,060,172 sq. ft.

Federal Building/Courthouse, San Diego, (U.S. District Courts), 896,564 sq. ft.

U.S. Courthouse, Los Angeles, (U.S. District Courts), 857,941 sq. ft.

Western Program Center, Richmond, (Social Security Administration) 586,605 sq. ft.

COLORADO

National parks

Rocky Mountain National Park, Estes Park, 263,138 Federal acres.

Dinosaur National Monument, Dinosaur (Also in Utah), 165,317 Federal acres.

Mesa Verde National Park, Mesa Verde National Park, 51,488 Federal acres.

Curecanti National Recreation Area, Gunnison, 41,571 Federal acres.

Great Sand Dunes National Monument, Alamosa, 36,426 Federal acres.

Military bases

Fort Carson, Colorado Springs, 23,516 employees.

Lowry Air Force Base, Denver, 8,469 employees.

Peterson Air Force Base, Colorado Springs, 3,288 employees.

Fitzsimmons Army Medical Center, Aurora, 1,834 employees.

Pueblo (Army) Depot Activity, Pueblo, 899 employees.

Federal buildings

Denver Federal Center, Denver (Dept. of Interior), 1,573,005 sq. ft.

Federal Building/Courthouse, Denver (Dept. of HEW), 455,925 sq. ft.

Chidlaw Building, Colorado Springs (Air Force), 224,530 sq. ft.

Federal Building/Customs House, Denver (Small Business Administration), 163,105 sq. ft.

Denver West Building and Building 3, Golden (U.S. Geological Survey), 125,150 sq. ft.

Diamond Hill, Denver (Dept. of Agriculture), 81,274 sq. ft.

CONNECTICUT

National parks

Appalachian National Scenic Trail (See Maine).

Military bases

New London Submarine Base, Groton, 12,838 employees.

Stratford Army Engine Plant, Stratford, 9 employees.

Federal buildings

Hartford Federal Building and Courthouse, Hartford (Internal Revenue Service), 61,736 sq. ft.

Hartford Federal Building and Courthouse, Hartford (Veterans' Administration Regional Office), 28,842 sq. ft.

96 Murphy Road, Hartford (Defense Logistics Agency), 27,533 sq. ft.

One Financial Plaza, Hartford (Dept. of HUD), 23,740 sq. ft.

110 Washington St., North Haven (Internal Revenue Service), 22,400 sq. ft.

DELAWARE

National parks

None.

Military bases

Dover Air Force Base, Dover, 6,600 employees.

Naval Facility, Lewes, 125 employees.

Federal buildings

Courthouse and Federal Building, Wilmington (U.S. Courts, Internal Revenue Service) 111,400 sq. ft.

J. Allen Frear Federal Building, Dover (Food and Drug Administration, Social Security Administration) 26,375 sq. ft.

FLORIDA

National parks

Biscayne National Monument, Homestead, 95,070 Federal acres.

Big Cypress National Preserve, Naples, 52,379 Federal acres.

Fort Jefferson National Monument, Key West, 47,125 Federal acres.

Canaveral National Seashore, Titusville, 41,024 Federal acres.

Gulf Islands National Seashore, Gulf Breeze, 28,685 Federal acres.

Military bases

(Navy) Training Center, Orlando, 16,426 employees.

Elgin Air Force Base, Valpariso, 12,723 employees.

Naval Air Station, Pensacola, 11,116 employees.

Naval Station, Mayport, 10,912 employees.

Naval Air Station, Jacksonville, 10,843 employees.

Patrick Air Force Base, Cocoa Beach, 7,466 employees.

Cecil Field Naval Air Station, Jacksonville, 7,235 employees.

Federal buildings

Federal Building, Jacksonville (Internal Revenue Service) 227,954 sq. ft.

Federal Building, Miami (Internal Revenue Service) 198,131 sq. ft.

Post Office/Courthouse, Jacksonville (U.S. Courts, Veterans Administration Field Office) 111,922 sq. ft.

Post Office/Courthouse, Miami (U.S. Courts) 97,911 sq. ft.

Federal Building/Courthouse, Gainesville, (U.S. Postal Service) 66,024 sq. ft.

St. Lukes Professional Building, Jacksonville (Veterans Administration Hospital) 59,858 sq. ft.

GEORGIA

National parks

Cumberland Island National Seashore, St. Marys, 15,631 Federal acres.

Chickamauga and Chattanooga National Military Park, Ft. Oglethorpe, 6,228 Federal acres.

Ft. Pulaski National Monument, Savannah Beach, 5,365 Federal acres.

Kennesaw Mountain National Battlefield Park, Marietta, 2,882 Federal acres.

Ocmulgee National Monument, Macon, 683 Federal acres.

Military bases

Ft. Benning, Columbus, 24,928 employees.

Robins Air Force Base, Warner Robins, 19,144 employees.

Ft. Gordon, August, 18,291 employees.

Ft. Stewart, Savannah, 12,845 employees.

Ft. McPherson, Atlanta, 5,430 employees.

Federal buildings

Pershing Point Plaza, Atlanta (Dept. of HUD), 281,783 sq. ft.

Federal Building, Atlanta (Internal Revenue Service), 200,004 sq. ft.

Peachtree 25th, Atlanta (U.S. Dept. of Agriculture: Forest Service), 192,259 sq. ft.

730 Peachtree, Atlanta (Veterans Administration Regional Office), 114,248 sq. ft.

1776 Peachtree Building, Atlanta (GSA: Regional Public Building Service), 107,798 sq. ft.

Courthouse, Atlanta (U.S. Courts), 92,986 sq. ft.

HAWAII

National parks

Hawaii Volcanoes National Park, Hawaii National Park, 217,029 Federal acres.

Haleakala National Park, Makawao, 27,208 Federal acres.

City of Refuge National Historic Park, Honaunau, Kona, 181 Federal acres.

Puukohola Helau National Historic Site, Kawaihae, 46 Federal acres.

Military bases

Pearl Harbor Naval Station, Pearl Harbor, 17,378 employees.

Schofield Barracks (Army), Honolulu, 11,685 employees.

Hickam Air Force Base, Honolulu, 7,908 employees.

Naval Shipyard, Pearl Harbor, 5,829 employees.

Tripler Army Medical Center, Honolulu, 5,744 employees.

Federal buildings

Prince Jonah Kuhio Kalanianaole, Honolulu, (U.S. District Courts), 928,019 sq. ft.

U.S. Courthouse, Customs House and Post Office, Honolulu, (U.S. Postal Service), 199,458 sq. ft.

Federal Building, Post Office and Courthouse, Hilo, (U.S. Postal Service), 49,745 sq. ft.

U.S. Custom Warehouse, Hilo, (U.S. Customs), 7,144 sq. ft.

IDAHO

National parks

Craters of the Moon National Monument, Arco, 53,545 Federal acres.

Yellowstone National Park, (Also in WY), 31,488 Federal acres.

Nez Perce National Historic Park, Spalding, 1,837 Federal acres.

Military bases

Mountain Home Air Force Base, Mountain Home, 4,934 employees.

Federal buildings

Federal Building/Courthouse, Boise (Bureau of Reclamation), 171,960 sq. ft.

Federal Building/Post Office, Boise (Dept. of Agriculture) 46,535 sq. ft.

Federal Building, Sandpoint, (Forest Service), 27,615 sq. ft.

ILLINOIS

National parks

Lincoln Home National Historic Site, Springfield, 4 Federal acres.

Military bases

(Navy) Training Center, Great Lakes, 22,273 employees.

Scott Air Force Base, Shiloh, 16,671 employees.

Rock Island Arsenal (Army), Rock Island, 7,105 employees.

Chanute Air Force Base, (Rantoul, 4,929 employees.

Ft. Sheridan, Highland Park, 2,940 employees.

Federal buildings

Kluczynski Red Building, Chicago (Treasury Dept.), 705,098 sq. ft.

Everett M. Dirksen Building, Chicago (Justice Dept.), 571,563 sq. ft.

SSA Great Lakes Pr. Center, Chicago, (Social Security Administration), 445,954 sq. ft.

Federal Building, Chicago, (Veterans Administration) 326,294 sq. ft.

300 Wacker Building (Dept. of HEW), 291,158 sq. ft.

Federal Building, USRRB, Chicago, GSA: Railroad Retirement Board, 219,972 sq. ft.

INDIANA

National parks

Indiana Dunes National Lakeshore, Chesterton, 4,476 Federal acres.

Lincoln Boyhood National Memorial, Lincoln City, 161 Federal acres.

George Rogers Clark National Historic Site, Vincennes, 24 Federal acres.

Military bases

Ft. Benjamin Harrison, Indianapolis, 3,586 employees.

Weapons Support Center (Navy), Crane, 3,548 employees.

Grissom Air Force Base, Bunker Hill, 3,116 employees.

Naval Avionics Center, Indianapolis, 2,473 employees.

Jefferson (Army) Proving Ground, 420 employees.

Federal buildings

Federal Building, Indianapolis (Treasury Dept.), 274,452 sq. ft.

Federal Building/Courthouse, Indianapolis (U.S. Courts), 133,149 sq. ft.

Building 63 GSA Federal Center, Jeffersonville (Dept. of Commerce), 79,161 sq. ft.

Building 66 GSA Federal Center, Jeffersonville (Dept. of Commerce), 77,810 sq. ft.

USPS Building, Evansville (Dept. of HEW), 36,013 sq. ft.

Corporate Square West, Indianapolis (U.S. Dept. of Agriculture), 33,701 sq. ft.

IOWA

National parks

Effigy Mounds National Monument, McGregor, 1,474 Federal acres.

Herbert Hoover National Historic Site, West Branch, 181 Federal acres.

Military bases

Ft. Des Moines, Des Moines, 154 employees.

Iowa Army Ammunition Plant, Burlington, 62 employees.

Federal buildings

Federal Building, Des Moines (Treasury Dept.), 234,309 sq. ft.

U.S. Post Office and Courthouse, Ft. Dodge (U.S. Courts), 54,148 sq. ft.

Federal Building and Post Office, Iowa City (U.S. Postal Service), 53,263 sq. ft.

U.S. Courthouse, Des Moines (U.S. Courts), 50,200 sq. ft.

Federal Building and Post Office, Council Bluffs (U.S. Postal Service), 45,761 sq. ft.

U.S. Post Office and Courthouse, Dubuque (U.S. Postal Service), 34,990 sq. ft.

KANSAS

National parks

Ft. Larned National Historic Site, Larned, 672 Federal acres.

Military bases

Ft. Riley, Junction City, 20,555 employees.

Ft. Leavenworth, Leavenworth, 5,781 employees.

McConnell Air Force Base, Wichita, 4,497 employees.

Federal buildings

Federal Building and Courthouse, Topeka (Dept. of Transportation), 219,007 sq. ft.

Federal Center Warehouse, Pauline (U.S. Postal Service), 167,408 sq. ft.

One-Two Gateway Center, Kansas City (Dept. of HUD), 70,715 sq. ft.

Treasury Disbursement Center, Kansas City (Dept. of Treasury), 69,503 sq. ft.

Federal Building, Wichita (Dept. of Treasury), 58,302 sq. ft.

Federal Building and U.S. Courthouse, Kansas City (U.S. Postal Service), 55,336 sq. ft.

KENTUCKY

National parks

Mammoth Cave National Park, Mammoth Cave, 51,303 Federal acres.

Big South Fork National River and Recreation Area (Also in TN), 16,860 Federal acres.

Cumberland Gap National Historic Park, Middlesboro, (Also in VA and TN), 10,731 Federal acres.

Abraham Lincoln Birthplace National Historic Site, Hodgenville, 116 Federal acres.

Military bases

Ft. Knox, Louisville, 26,143 employees.

Ft. Campbell, Clarksville, 24,129 employees.

Naval Ordnance Station, Louisville, 2,374 employees.

Lexington Blue Grass (Army) Depot, Lexington, 1,271 employees.

Federal buildings

Internal Revenue Service Center, Covington (Internal Revenue Service), 315,084 sq. ft.

Post Office/Courthouse, Lexington (U.S. Courts), 35,137 sq. ft.

J. C. Watts Federal Building, Frankfort (Federal Highway Administration, U.S. Courts), 34,538 sq. ft.

Imperial Towers Building, Lexington (U.S. Dept. of Agriculture: Soil Conservation Service), 29,026 sq. ft.

Bakhaus Building, Lexington (Internal Revenue Service), 18,525 sq. ft.

Warehouse Building, Florence (Internal Revenue Service), 16,822 sq. ft.

LOUISIANA

National parks

Chalmette National Historic Park, Arabi, 141 Federal acres.

Military bases

Ft. Polk, Leesville, 14,634 employees.

Barksdale Air Force Base, Bossier City, 6,729 employees.

England Air Force Base, Alexandria, 3,460 employees.

(Navy) Support Activity, New Orleans, 2,214 employees.

New Orleans Naval Air Station, New Orleans, 1,505 employees.

Federal buildings

Hale Boggs Federal Building/Courthouse, New Orleans (Internal Revenue Service), 326,392 sq. ft.

U.S. Post Office, New Orleans (U.S. Postal Service), 178,337 sq. ft.

F. Edward Herbert Federal Building, New Orleans (U.S. Customs), 119,938 sq. ft.

U.S. Customshouse, New Orleans (U.S. Customs), 103,437 sq. ft.

Federal Building/Courthouse, Shreveport (U.S. District Courts), 89,656 sq. ft.

The Plaza Tower, New Orleans (Dept. of HUD), 80,125 sq. ft.

MAINE

National parks

Arcadia National Park, Bar Harbor, 37,503 Federal acres.

Appalachian National Scenic Trail, 15,100

Total Federal acres (Also in NH, VT, MA, CN, NY, NJ, PA, MD, WV, VA, TN, NC, GA)

Saint Croix Island National Monument, Bar Harbor, 22 Federal acres.

Military bases

Loring Air Force Base, Limestone, 4,056 employees.

Naval Air Station, Brunswick, 3,332 employees.

Cutler Communications Unit, (Navy), East Machias, 204 employees.

Federal buildings

Federal Building, Augusta (Internal Revenue Service), 23,397 sq. ft.

Federal Building and U.S. Post Office, Portland, (U.S. Army, Armed Forces Examining and Entrance Station), 8,552 sq. ft.

Federal Building and U.S. Post Office, Portland, (Internal Revenue Service), 7,476 sq. ft.

U.S. Post Office and Courthouse, Bangor, (U.S. Postal Service) 6,784 sq. ft.

U.S. Customshouse, Portland, (U.S. Customs Service), 6,567 sq. ft.

U.S. Post Office and Courthouse, Bangor, (U.S. Courts), 6,149 sq. ft.

MARYLAND

National parks

Chesapeake and Ohio Canal National Historical Park, Sharpsburg, (Also in DC and WV) 11,914 Federal acres.

Assateague Island National Seashore, Berlin, (Also in VA) 5,821 Federal acres.

Catoctin Mountain Park, Thurmont, 5,768 Federal acres.

Piscataway Park, Oxon Hill, 3,885 Federal acres.

Greenbelt Park, Greenbelt, 1,077 Federal acres.

Military bases

Aberdeen (Army) Proving Ground, Baltimore, 12,082 employees.

Ft. George C. Meade, Baltimore, 10,051 employees.

Andrews Air Force Base, Camp Springs, 9,977 employees.

"Annapolis" Naval Academy, Annapolis, 7,240 employees.

(Navy) Air Test Center, Patuxent River, Lexington Park, 5,486 employees.

Federal buildings

Middle River Depot, Middle River (Dept. of Defense, Federal Supply Service), 1,668,000 sq. ft.

Social Security Administration Complex, Woodlawn, (Social Security Administration), 1,318,300 sq. ft.

Edward Garmatz Federal Building/Courthouse, Baltimore, (U.S. Courts), 480,285 sq. ft.

George Fallon Federal Building, (Veterans Administration, Internal Revenue Service), 366,190 sq. ft.

Appraisers Stores, Baltimore, (U.S. Customs Service), 86,965 sq. ft.

Customs House, Baltimore, (U.S. Customs Service), 83,650 sq. ft.

MASSACHUSETTS

National parks

Cape Cod National Seashore, South Wellfleet, 25,744 Federal acres.

Minute Man National Historical Park, Concord, 681 Federal acres.

Boston National Historical Park, Boston, 28 Federal acres.

Salem Maritime National Historic Site, Salem, 8 Federal acres.

Adams National Historic Site, Quincy, 8 Federal acres.

Military bases

Ft. Devens, Ayer, 8,186 employees.

Hanscom Air Force Base, Bedford, 4,895 employees.

South Weymouth Naval Air Station, South Weymouth, 2,229 employees.

Natick Research and Development Center, Natick, 1,384 employees.

Westover Air Force Base, Westover, 941 employees.

Federal buildings

IRS Center, Andover (Internal Revenue Service), 259,836 sq. ft.

JFK Federal Building, Boston (Dept. of HEW), 121,553 sq. ft.

Federal Center, Waltham (Army Corps of Engineers), 106,458 sq. ft.

JFK Federal Building, Boston (Internal Revenue Service), 106,307 sq. ft.

JFK Federal Building, Boston (Veterans Administration Regional Office), 67,777 sq. ft.

USVA, Boston (Veterans Administration), 58,360 sq. ft.

MICHIGAN

National parks

Isle Royale National Park, Houghton, 542,428 Federal acres.

Pictured Rocks National Lakeshore, Munising, 35,339 Federal acres.

Sleeping Bear Dunes National Lakeshore, Frankfort, 26,608 Federal acres.

Military bases

Detroit Arsenal (Army), Detroit, 5,054 employees.

K. I. Sawyer Air Force Base, Gwinn, 4,096 employees.

Wurtsmith Air Force Base, Oscoda, 3,185 employees.

Michigan Army Missile Plant, Detroit, 1,047 employees.

Kincheloe Air Force Base, Kinross, 596 employees.

Federal buildings

P. V. McNamara Federal Building, Detroit (Treasury Dept.), 631,309 sq. ft.

Federal Building and Courthouse, Detroit (U.S. Courts), 255,330 sq. ft.

1404 John Lodge Building, Detroit (Treasury Dept.), 157,381 sq. ft.

Federal Center Building 1, Battle Creek (Dept. of Defense), 119,966 sq. ft.

Federal Center Building 2, Battle Creek (Dept. of Defense), 106,990 sq. ft.

G. R. Ford Federal Building and Courthouse, Grand Rapids (U.S. Courts), 89,247 sq. ft.

MINNESOTA

National parks

Voyageurs National Park, International Falls, 114,964 Federal acres.

Grand Portage National Monument, Grand Marais, 709 Federal acres.

St. Croix National Scenic River (Also in WI), 246 Federal acres.

Military bases

Duluth International Airport, Duluth, 1,826 employees.

Minneapolis-St. Paul International Airport, Minneapolis, 387 employees.

Federal buildings

Federal Building, Ft. Snelling (Veterans Administration), 349,767 sq. ft.

Federal Building and U.S. Courthouse, St. Paul (Treasury Dept.), 208,155 sq. ft.

Federal Building/Courthouse, Minneapolis (Justice Dept.), 102,279 sq. ft.

USPS Building, St. Paul (U.S. Dept. of Agriculture), 84,138 sq. ft.

Federal Building, Minneapolis (U.S. Dept. of Agriculture), 68,654 sq. ft.

Federal Building, Courthouse and Customshouse, Duluth (U.S. Dept. of Agriculture), 58,799 sq. ft.

MISSISSIPPI

National parks

Gulf Islands National Seashore, Ocean Springs (Also in FL), 69,025 Federal acres.

Natchez Trace Parkway, Tupelo (Also in AL and TN), 34,941 Federal acres.

Vicksburg National Military Park, Vicksburg, 1, 611 Federal acres.

Brices Cross Roads National Battlefield Site, Tupelo, 1 Federal acre.

Tupelo National Battlefield, Tupelo, 1 Federal acre.

Military bases

Keesler Air Force Base, Biloxi, 8,977 employees.

Construction Battalion Center (Navy), Gulfport, 3,956 employees.

Columbus Air Force Base, Columbus, 3,240 employees.

Meridian Naval Air Station, Meridian, 1,984 employees.

Camp Shelby, Hattiesburg, 77 employees.

Federal buildings

Post Office/Courthouse, Jackson (U.S. Postal Service), 61,945 sq. ft.

Federal Building, Greenville (U.S. Postal Service, U.S. Courts), 58,204 sq. ft.

Federal Building, Clarksdale (U.S. Postal Service, U.S. Courts), 40,684 sq. ft.

Wm. M. Colmer Federal Building, Hattiesburg (Social Security Administration), 35,368 sq. ft.

Federal Building/Post Office, Greenwood (U.S. Postal Service), 31,679 sq. ft.

T. G. Abernathy Federal Building, Aberdeen (U.S. Courts), 29,406 sq. ft.

MISSOURI

National parks

Ozark National Scenic Riverways, Van Buren, 60,728 Federal acres.

Wilson's Creek National Battlefield, Republic, 1,727 Federal acres.

George Washington Carver National Monument, Diamond, 210 Federal acres.

Jefferson National Expansion Memorial (Arch), St. Louis, 90 Federal acres.

Military bases

Ft. Leonard Wood, Jefferson City, 16,269 employees.

Whiteman Air Force Base, Knob Noster, 3,581 employees.

Richards-Gebaur Air Force Base, Belton, 2,174 employees.

Federal buildings

Federal Center St. Louis, (Veterans Administration), 2,614,113 sq. ft.

Federal Building, Kansas City, (Internal Revenue Service), 1,146, 429 sq. gt.

Military Personnel Records Center, Overland, (U.S. Army), 914,804 sq. ft.

Federal Building, Kansas City, (Dept. of Transportation), 795,668 sq. ft.

Mart Building, St. Louis, (U.S. Army), 773,460 sq. ft.

Federal Center, Kansas City, (Defense Mapping Service), 423,826 sq. ft.

MONTANA

National parks

Yellowstone National Park (Also in WY), 167,623 Federal acres.

Bighorn Canyon National Recreation Area, Fort Smith (Also in Wy), 34,844 Federal acres.

Grant-Kohrs Ranch National Historic Site, Deer Dodge, 1,322 Federal acres.

Big Hole National Battlefield, Wisdom, 655 Federal acres.

Custer Battlefield National Monument, Crow Agency, average not available.

Military bases

Malmstron Air Force Base, Great Falls, 5,539 employees.

Federal buildings

Federal Building/Courthouse, Billings (Bureau of Reclamation), 134,925 sq. ft.

Federal Office Building/Courthouse, Helena (Internal Revenue Service), 110,000 sq. ft.

Federal Building, Post Office and Courthouse, Missoula (Forest Service), 100,025 sq. ft.

Federal Building/Post Office, Bozeman (U.S. Postal Service), 63,136 sq. ft.

Granite Tower, Billings (Bureau of Land Management), 37,805 sq. ft.

Federal Building/Courthouse, Butte (U.S. District Courts), 37,280 sq. ft.

NEBRASKA

National parks

Agate Fossil Beds National Monument, Gering, 2,736 Federal acres.

Scott Bluff National Monument, Gering, 2,708 Federal acres.

Homestead National Monument of America, Beatrice, 182 Federal acres.

Military bases

"SAC Headquarters," Offut Air Force Base, Bellevue, 13,835 employees.

Federal buildings

Federal Building and Courthouse, Lincoln (Veterans Administration), 382,692 sq. ft.

Federal Building, Post Office and Courthouse, Omaha (U.S. Army), 263,608 sq. ft.

Federal Office Building, Omaha (Dept. of Treasury), 73,903 sq. ft.

Federal Building, Post Office and Courthouse, North Platte (U.S. Postal Service), 45,640 sq. ft.

Federal Building, Omaha (U.S. Army: Corps of Engineers), 28,550 sq. ft.

NEVADA

National parks

Lake Mead National Recreation Area, Boulder City, 586,005 Federal acres.

Death Valley National Monument (Also in CA), 110,812 Federal acres.

Lehman Caves National Monument, Baker, 640 Federal acres.

Military bases

Nellis Air Force Base, Las Vegas, 8,562 employees.

Naval Air Station, Fallon, 877 employees.

Federal buildings

Federal Building-U.S. Courthouse, Las Vegas (U.S. Dist. Courts), 201,635 sq. ft.

Federal Building-U.S. Courthouse, Reno (Internal Revenue Service), 113,295 sq. ft.

Federal Building-U.S. Post Office, Carson City (U.S. Postal Service), 53,958 sq. ft.

Federal Building-U.S. Post Office, Las Vegas (U.S. Postal Service), 38,750 sq. ft.

U.S. Post Office, Reno (Bureau of Land Management), 18,054 sq. ft.

U.S. Post Office, Elko (U.S. Postal Service), 4,089 sq. ft.

NEW HAMPSHIRE

National parks

Saint-Gaudens National Historic Site, Windsor, 86 Federal acres.

Appalachian Scenic (See ME).

Military bases

Portsmouth Naval Shipyard, Portsmouth, 8,275 employees.

Pease Air Force Base, Newington, 4,060 employees.

Cold Regions, Research Lab (Army), Hanover, 283 employees.

Federal buildings

Norris Cotton, Federal Building, Manchester (Veterans Admin. Regional Office), 16,675 sq. ft.

Federal Building and U.S. Post Office (Internal Revenue Service), 15,678 sq. ft.

Norris Cotton, Federal Building, Manchester (Dept. of Housing and Urban Development), 12,584 sq. ft.

Norris Cotton, Federal Building, Manchester (Internal Revenue Service), 10,313 sq. ft.

Norris Cotton, Federal Building, Manchester (Social Security Admin.), 9,319 sq. ft.

Norris Cotton, Federal Building, Manchester (U.S. Army, Armed Forces Examining & Entrance Station), 8,663 sq. ft.

NEW JERSEY

National parks

Delaware Water Gap National Recreation Area, (Also in PA), 21,422 Federal acres.

Gateway National Recreation Area (Also in NY), 1,713 Federal acres.

Morristown National Historic Park, Morristown, 1,530 Federal acres.

Edison National Historic Site, West Orange, 19 Federal acres.

Appalachian Scenic Trail, (See ME).

Military bases

Ft. Dix, Trenton, 15,346 employees.

Ft. Monmouth, Red Bank, 9,162 employees.

McGuire Air Force Base, Wrightstown, 7,263 employees.

Picatinny Arsenal, Dover, 5,380 employees.

Navy Air Engineering Center, Lakehurst, 2,942 employees.

Federal buildings

Ecom Building, Ft. Monmouth, (Dept. of Defense), 489,187 sq. ft.

970 Broad Street, Newark (comprehensive), 281,878 sq. ft.

Gateway Building, Newark (Dept. of Housing & Urban Dev., F.B.I.), 91,251 sq. ft.

20 Washington Place, Newark (Veterans Admin.), 83,223 sq. ft.

Trenton Federal Office Building, Trenton (comprehensive), 58,603 sq. ft.

Decas, Springfield (Defense Contract Admin., Defense Logistics Agency), 44,814 sq. ft.

NEW MEXICO

National parks

White Sands National Monument, Alamogordo, 144,751 Federal acres.

Carlsbad Caverns National Park, Carlsbad, 46,435 Federal acres.

Bandelier National Monument, Los Alamos, 29,661 Federal acres.

Chaco Canyon National Monument, Bloomfield, 20,990 Federal acres.

El Morro National Monument, Ramah, 1,039 Federal acres.

Military bases

Kirtland Air Force Base, Albuquerque, 10,411 employees.

Hollomon Air Force Base, Alamogordo, 7,435 employees.

White Sands Missile Range, Las Cruces, 5,237 employees.

Cannon Air Force Base, Clovis, 4,754 employees.

Fort Wingate Army, Gallup, 187 employees.

Federal buildings

Senator Dennis Chavez Federal Bldg., Albuquerque (Bureau of Indian Affairs), 178,416 sq. ft.

Federal Building, Albuquerque (Forest Service), 173,876 sq. ft.

Western Bank Bldg., Albuquerque (U.S. Geological Survey), 43,329 sq. ft.

First National Bank, Albuquerque (Bureau of Indian Affairs), 43,284 sq. ft.

Federal Building, Gallup (Bureau of Indian Affairs), 40,857 sq. ft.

Federal Building—U.S. Post Office, Santa Fe (Bureau of Land Management), 38,988 sq. ft.

NEW YORK

National parks

Gateway National Recreation Area, Brooklyn (Also in NJ), 18,678 Federal acres.

Fire Island National Seashore, Patchogue, 5,945 Federal acres.

Saratoga National Historical Park, Stillwater, 2,432 Federal acres.

Home of Franklin D. Roosevelt National Historical Site, Hyde Park, 263 Federal acres.

Statue of Liberty National Monument, New York (Also in NJ), 13 Federal acres.

Military bases

West Point Military Reservation, West Point, 15,974 employees.

Griffiss Air Force Base, Rome, 6,891 employees.

Plattsburgh Air Force Base, Plattsburg, 4,362 employees.

Watervliet Arsenal, Watervliet, 2,660 employees.

Seneca Army Depot, Rochester, 1,078 employees.

Federal buildings

26 Federal Plaza, New York (comprehensive), 1,113,417 sq. ft.

201 Varick Street, New York (Dept. of Energy), Army Reserves, 358,680 sq. ft.

120 Church Street, New York (Internal Revenue Service), 344,827 sq. ft.

World Trade Center, New York (U.S. Customs), 338,541 sq. ft.

252 Seventh Avenue, New York (Veterans Admin.), 332,657 sq. ft.

1040 Waverly Avenue, Holtsville (Internal Revenue Service—Holtsville Center), 306,746 sq. ft.

NORTH CAROLINA

National parks

Great Smoky Mountains National Park (Also in TN), 273,550 Federal acres.

Blue Ridge Parkway, Asheville (Also in VA), 44,317 Federal acres.

Cape Hatteras National Seashore, Manteo, 30,325 Federal acres.

Cape Lookout National Seashore, Beaufort, 24,223 Federal acres.

Wright Brothers National Memorial, Manteo, 431 Federal acres.

Military bases

Ft. Bragg, Fayetteville, 43,188 employees.

Camp Lejune, (Marine Corp Base), Jacksonville, 33,751 employees.

Cherry Pt., Marine Corps Air Station, Havelock, 10,416 employees.

Seymour Johnson Air Force Base, Goldsboro, 5,831 employees.

Pope Air Force Base, Springlake, 3,972 employees.

Federal buildings

Federal Building, Asheville (National Oceanic & Atmospheric Admin.), 132,774 sq. ft.

Federal Building-Post Office-Courthouse, Greensboro (U.S. Courts), 64,307 sq. ft.

N.C. Mutual Life Insurance Building, Durham (Environmental Protection Agency), 58,767 sq. ft.

Post Office-Courthouse, Asheville (U.S. Postal Service), 58,241 sq. ft.

Beaunit Admin. Bldg., Durham (Environmental Protection Agency), 34,855 sq. ft.

Northwestern Bank, Charlotte (Bureau of the Census), 27,328 sq. ft.

NORTH DAKOTA

National parks

Theodore Roosevelt National Memorial Park, Medora, 69,675 Federal acres.

Fort Union Trading Post National Historic Site, Williston, 345 Federal acres.

Knife River Indian Villages National Historic Site, Stanton, 170 Federal acres.

Military bases

Minot Air Force Base, 6,038 employees.

Grand Forks Air Force Base, Emerado, 5,590 employees.

Federal buildings

Federal Building Post Office, Fargo (U.S. Postal Service), 152,725 sq. ft.

Federal Building/Courthouse, Bismarck, (U.S. Postal Service), 100,090 sq. ft.

Federal Building Courthouse, Fargo (U.S. District Courts), 50,000 sq ft.

Federal Building, Bismarck (Bureau of Reclamation), 25,335 sq. ft.

Federal Building/Courthouse, Grand Forks (U.S. District Courts), 21,890 sq. ft.

Federal Building/Courthouse, Minot (Social Security Admin.), 20,285 sq. ft.

OHIO

National parks

Cuyahoga Valley National Recreation Area, Peninsula, 828 Federal acres.

Mound City Group National Monument, Chillicothe, 67 Federal acres.

Perry's Victory and International Peace Memorial, Put-in Bay, 24 Federal acres.

William Howard Taft National Historic Site, Cincinnati, 8 Federal acre.

Military bases

Wright-Patterson Air Force Base, Fairborn, 23,695 employees.

Rickenbacker Air Force Base, Lockbourne, 4,001 employees.
Defense Construction Supply Center, Columbus, 3,711 employees.
Youngstown Municipal Airport, 293 employees.
Camp Perry, Fremont, 7 employees.

Federal buildings

A. J. Celebrezze Federal Building, Cleveland (Navy Dept.), 759,341 sq. ft.
Federal Building, Cincinnati (Treasury Dept.), 466,738 sq. ft.
Federal Building, Columbus (Dept. of Housing & Urban Development), 159,191 sq. ft.
U.S. Post Office & Courthouse, Cincinnati (U.S. Courts), 141,981 sq. ft.
Federal Building—Courthouse, Cleveland (U.S. Courts), 88,068 sq. ft.
Federal Building—Courthouse, Dayton (U.S. Courts), 87,596 sq. ft.

OKLAHOMA

National parks

Chicasaw National Recreation Area, Sulphur, 9,264 Federal acres.

Military bases

Ft. Sill, Lawton, 24,738 employees.
Tinker Air Force Base, Midwest City, 21,195 employees.
Altus Air Force Base, Altus, 4,310 employees.
Vance Air Force Base, Enid, 2,465 employees.

Federal buildings

Federal Building—Courthouse, Oklahoma City (Internal Revenue Service), 156,963 sq. ft.
Alfred P. Murrah Federal Building, Oklahoma City (Dept. of Housing & Urban Development), 111,340 sq. ft.
Page Belcher Federal, Tulsa (U.S. Courts), 98,541 sq. ft.
U.S. Post Office—Courthouse, Oklahoma City (Indian Health Services Admin.), 85,372 sq. ft.
Federal Building, Muskogee (Veterans Admin.), 65,968 sq. ft.
Federal Building, Tulsa (U.S. Army: Corps of Engineers), 58,796 sq. ft.

OREGON

National parks

Crater Lake National Park, Crater Lake, 160,290 Federal acres.
John Day Fossil Beds National Monument, John Day, 2,035 Federal acres.
Oregon Caves National Monument, Cave Junction, 465 Federal acres.
Fort Clatsop National Memorial, Astoria, 124 Federal acres.

Military bases

Umatilla (Army) Depot Activity, Hermiston, 246 employees.
Coos Head Naval Facility, Charleston, 120 employees.

Federal buildings

Federal Building, Portland (Internal Revenue Service), 329,971 sq. ft.
Multnomah Building, Portland (Forest Service), 267,505 sq. ft.
Federal Building — Courthouse, Eugene (Forest Service), 64,310 sq. ft.
Customshouse, Portland, (U.S. Army: Corps Engineers), 58,055 sq. ft.
Pioneer Courthouse, Portland (U.S. Dist. Courts), 24,455 sq. ft.

PENNSYLVANIA

National parks

Delaware Water Gap, National Recreation Area, Bushkill, (Also in N.J.) 12,460 Federal acres.
Gettysburg National Military Park, Gettysburg, 3,517 Federal acres.
Hopewell Village National Historic Site, Elverson, 848 Federal acres.
Valley Forge National Historical Park, Valley Forge, 45 Federal acres.
Independence National Historic Site, Philadelphia, 30 Federal acres.

Military bases

Naval Shipyard, Philadelphia, 7,132 employees.
Ships Parts Control Center, Mechanicsburg, 6,049 employees.
(Navy) Support Activity, Philadelphia, 5,576 employees.
(Navy) Aviation Supply Office, Philadelphia, 3,532 employees.
Tobyhanna Army Depot, Scranton, 3,515 employees.

Federal buildings

Federal Building, Philadelphia (Veterans Admin.) 575,435 sq. ft.
Federal Building, Pittsburgh (Veterans Admin., Internal Revenue Service), 518,765 sq. ft.
Wm. J. Greer, Jr. Federal Building, Philadelphia (Internal Revenue Service, Dept. of Justice), 503,153 sq. ft.
James A. Byrne Courthouse, Philadelphia (U.S. Courts), 470,910 sq. ft.
Social Security Admin. Program Center, Philadelphia (Social Security Admin.), 390,530 sq. ft.
Federal Depot, Mechanicsburg (National Archives & Records), 318,980 sq. ft.

RHODE ISLAND

National parks

Roger Williams National Memorial, Providence, 4 Federal acres.

Military bases

(Navy) Education and Training Center, Newport, 3,716 employees.
(Navy) Underwater Systems Center, Newport, 3,166 employees.
Naval War College, Newport, 436 employees.
Navy Regional Medical Center, Newport, 418 employees.
Navy Construction Batallion Center, Davisville, 251 employees.

Federal buildings

130 Broadway, Providence (Internal Revenue Service), 33,192 sq. ft.
Heritage Building, Providence (Veterans Admin. Regional Office), 22,384 sq. ft.
Federal Building Exchange Place, Providence (U.S. Courts), 21,348 sq. ft.
Warwick Mills Annex, West Warwick (Defense Mapping Agency), 19,011 sq. ft.
200 Dyer Street, Providence (Social Security Admin.), 12,782 sq. ft.
Jo Pastore Federal Building and Post Office, Providence (Dept. of Housing and Urban Development), 7,554 sq. ft.

SOUTH CAROLINA

National parks

Kings Mountain National Military Park, Kings Mountain, 3,945 Federal acres.
Cowpens National Battlefield, Kings Mountain, 701 Federal acres.
Fort Sumter National Monument, Sullivans Island, 62 Federal acres.

Military bases

Ft. Jackson, Columbia, 20,376 employees.
Charleston Naval Station, Charleston, 17,595 employees.
Parris Island Marine Recruiting Depot, Beaufort, 10,782 employees.
Charleston Naval Shipyard, Charleston, 7,639 employees.
Shaw Air Force Base, Sumter, 6,479 employees.

Federal buildings

Varo Building, Columbia (Veterans Admin. Regional Office), 59,221 sq. ft.
Federal Building, Columbia (Internal Revenue Service), 58,858 sq. ft.
Federal Building, Charleston (U.S. Army: Corps of Engineers), 54,053 sq. ft.
Courthouse, Columbia (U.S. Courts), 32,769 sq. ft.
SE Fisheries Center, Charleston (National Oceanic & Atmospheric Center), 30,345 sq. ft.
Post Office-Courthouse, Charleston (U.S. Courts), 25,227 sq. ft.

SOUTH DAKOTA

National parks

Badlands National Monument, Interior, 152,289 Federal acres.
Wind Cave National Park, Hot Springs, 28,060 Federal acres.
Jewel Cave National Monument, Custer, 1,274 Federal acres.
Mount Rushmore National Memorial, Keystone, 1,245 Federal acres.

Military bases

Ellsworth Air Force Base, Box Elder, 6,728 employees.

Federal buildings

Federal Building, Aberdeen (Bureau of Indian Affairs), 144,285 sq. ft.
Federal Building, Huron (Bureau of Reclamation), 69,375 sq. ft.
Federal Building/Post Office/Courthouse, Pierre, (U.S. Postal Service), 60,835 sq. ft.
Federal Building/Courthouse, Rapid City, (U.S. Dist. Courts), 46,730 sq. ft.
Federal Building/Courthouse, Sioux Falls (U.S. Dist. Courts), 38,905 sq. ft.
Post Office/Courthouse, Aberdeen, (U.S. Dist. Courts), 33,130 sq. ft.

TENNESSEE

National parks

Great Smoky Mountains National Park, Gatlinburg, (Also in N.C.), 241,206 Federal acres.
Natchez Trace Parkway, (Also in Mississippi), 6,973 Federal acres.
Shiloh National Military Park, Shiloh, 3,698 Federal acres.
Cumberland Gap National Historical Park, (Also in Ky.), 2,012 Federal acres.
Fort Donelson National Military Park, Dover, 529 Federal acres.

Military bases

Memphis Naval Air Station, Millington, 7,906 employees.
Arnold Engineering Development Center, Manchester, 3,299 employees.
Defense Depot, Memphis, 1,385 employees.
Memphis Regional Medical Center, Millington, 583 employees.

Federal buildings

IRS Service Center, Memphis, (Internal Revenue Service), 452,161 sq. ft.
C. Davis Federal Building, Memphis, (U.S. Army: Corps of Engineers), 221,740 sq. ft.
Northshore Building, Knoxville, (Dept. of Housing and Urban Development), 68,834 sq. ft.
1013 Central Street, Knoxville, (U.S. Army: Armed Forces Examining and Entrance Station), 28,272 sq. ft.
4841 Summer Avenue Building, Memphis, (U.S. Dept. of Agriculture: Agricultural Marketing Service), 26,588 sq. ft.
100 North Main Building, Memphis, (Dept. of Housing and Urban Dev.), 24,927 sq. ft.

TEXAS

National parks

Big Bend National Park, Big Bend National Park, 708,118 Federal acres.
Padre Island National Seashore, Corpus Christi, 132,202 Federal acres.
Guadalupe Mountains National Park, Carlsbad, 76,292 Federal acres.
Amistad National Recreation Area, Del Rio, 57,292 Federal acres.
Lake Meredith National Recreation Area, Fritch, 45,964 Federal acres.

Military bases

Fort Hood, Killeen, 51,994 employees.
Kelly Air Force Base, San Antonio, 22,721 employees.
Fort Bliss, El Paso, 21,917 employees.

Fort Sam Houston, San Antonio, 13,421 employees.
Lackland Air Force Base, San Antonio, 10,307 employees.
Carswell Air Force Base, Fort Worth, 5,485.

Federal buildings

Earle Cabell Federal Building-Courthouse, Dallas (Internal Revenue Service), 588,728 sq. ft.
Fritz G. Lanham Federal Building, Fort Worth (General Services Admin.), 455,414 sq. ft.
Main Tower Building, Dallas (Dept. of Health, Ed. & Welfare), 327,760 sq. ft.
Federal Building-Courthouse, Houston (Internal Revenue Service), 291,284 sq. ft.
IRS Southwest Service Center, Austin (Internal Revenue Service), 289,535 sq. ft.
Federal Building, Dallas (General Service Admin.), 250,104 sq. ft.

VERMONT

National parks

Appalachian National Scenic Trail, (See ME).

Military bases

None listed.

Federal buildings

Federal Building, U.S. Post Office and Courthouse, Burlington (Immigration & Naturalization Service), 18,597 sq. ft.
Federal Building, Post Office and Courthouse (Internal Revenue Service), 17,571 sq. ft.
Federal Building, U.S. Post Office and Courthouse, Burlington (U.S. Courts), 7,058 sq. ft.
U.S. Post Office and Courthouse, Rutland (Dept. of Agriculture, Forest Service), 5,396 sq. ft.
141 Main Street, Montpelier (Food & Drug Admin.), 5,193 sq. ft.
U.S. Post Office and Courthouse, St. Albans (Immigration & Naturalization Service), 4,667 sq. ft.

UTAH

National parks

Glen Canyon National Recreation Area, Page (Also in AZ), 1,061,738 Federal acres.
Canyon Lands National Park, Moab 337,570 Federal acres
Capitol Reef National Park, Torrey, 221,896 Federal acres.
Zion National Park, Springdale, 142,461 Federal acres.
Arches National Park, Moab, 65,097 Federal acres.

Military bases

Hill Air Force Base, Clearfield, 19,705 employees.
Tooele Army Depot, Tooele, 4,288 employees.
Dugway Proving Ground, Salt Lake City, 956 employees.
Defense Depot, Ogden, Number employees not available.

Federal building

IRS Center, Ogden, (Internal Revenue Service), 379,465 sq. ft.
Federal Building, Salt Lake City, (Bureau of Reclamation) 245,395 sq. ft.
Post Office/Court house, Salt Lake City, (U.S. Dist. Courts) 143,485 sq. ft.
Federal Building/Courthouse, Ogden, (Forest Service), 127,618 sq. ft.
Agriculture Photo Lab, Salt Lake City, (Dept. of Agriculture), 112,610 sq. ft.
IRS Building, Salt Lake City, (Internal Revenue Service), 79,550 sq. ft.

VIRGINIA

National parks

Shenandoah National Park, Luray, 190,535 Federal acres.
Blue Ridge Parkway, (Also in NC), 30,451 Federal acres.
Assateague Island National Seashore, (Also in MD), 10,274 Federal acres.
Cumberland Gap National Historical Park, (Also in KY), 7,526 Federal acres.
George Washington Birthplace National Monument, (Mt. Vernon), Washington's Birthplace, 455 Federal acres.

Military bases

Norfolk Naval Station, Norfolk, 49,620 employees.
Norfolk Naval Air Station, Norfolk, 13,281 employees.
Norfolk Naval Shipyard, Portsmouth, 11,755 employees.
Fort Lee, Petersburg, 10,996 employees.
Langley Air Force Base, Hampton, 10,410 employees.
Fort Eustis, Newport News, 10,407 employees.
Oceana Naval Air Station, Virginia Beach, 8,529 employees.

Federal buildings

Pentagon Building, Arlington, (Dept. of Defense), 3,784,025 sq. ft.
CIA Headquarters, McLean, (Central Intelligence Agency), 1,042,918 sq. ft.
Federal Building No. 2, Arlington, (Dept. of Defense), 722,920 sq. ft.
Federal Building, Richmond, (Internal Revenue Service Admin.) 243,255 sq. ft.
Poff Building, Roanoke, (Veterans Admin., U.S. Courts) 193,460 s. ft.
Ford Plant, Alexandria (G.S.A., Dept. of Defense), 168,190 sq. ft.

WASHINGTON

National parks

Olympic National Park, Port Angeles, 892,578 Federal acres.
North Cascades National Park, Sedro Wooley, 503,277 Federal acres.
Mount Ranier National Park, Ashford, 235,239 Federal acres.
Ross Lake National Recreation Area, Sedro Wooley, 105,490 Federal acres.
Coulee Dam National Recreation Area, Coulee Dam, 100,059 Federal acres.

Military bases

Fort Lewis, Tacoma, 27,144 employees.
Puget Sound Naval Shipyard, Bremerton, 15,905 employees.
McChord Air Force Base, Tacoma, 6,709 employees.
Whidbey Island Naval Air Station, Oak Harbor, 6,084 employees.
Fairchild Air Force Base, Airway Heights, 4,805 employees.

Federal buildings

Federal Building, Seattle (Internal Revenue Service), 501,652 sq. ft.
Federal Building—Courthouse, Richland, (Dept. of Energy), 267,955 sq. ft.
Arcade Complex—1, Seattle (Dept. of Health, Education & Welfare), 232,180 sq. ft.
U.S. Courthouse 1, Spokane (U.S. District Courts), 182,700 sq. ft.
GSA Center, Auburn (General Service Administration), 79,290 sq. ft.

WEST VIRGINIA

National parks

Harpers Ferry National Historical Park, Harpers Ferry (also in Maryland), 1,381 Federal acres.
Appalachian National Scenic Trail (See Maine).
Chesapeake and Ohio Canal National Historical Park (also in Maryland), 3 Federal acres.

Military bases

None listed.

Federal buildings

Federal Building & Post Office, Morgantown (Dept. of Agriculture, U.S. Postal Service), 97,260 sq. ft.
Federal Building, Huntington (Dept. of Defense, Veterans Administration), 91,845 sq. ft.
Federal Building, Parkersburg (Internal Revenue Service, U.S. Postal Service), 89,735 sq. ft.
Federal Building, Charleston (U.S. Courts, Dept. of Justice), 80, 030 sq. ft.
Federal Building and Courthouse, Wheeling (U.S. Postal Service, U.S. Courts), 42,285 sq. ft.
Federal Building, Martinsburg (U.S. Postal Service, U.S. Courts), 36,830 sq. ft.

WISCONSIN

National Parks

St. Croix National Scenic River, St. Croix Falls (Also in MN), 15,208 Federal acres.
Apostle Islands National Lakeshore, Bayfield, 14,862 Federal acres.
Lower St. Croix National Scenic River, St. Croix Falls (Also in MN), 1,424 Federal acres.

Military bases

Fort McCoy, Sparta, 962 employees.
General Billy Mitchell Field (Air Force) Milwaukee, 338 employees.

Federal buildings

Federal Building—Courthouse, Milwaukee (Treasury Dept.), 193,737 sq. ft.
342 North Water Street, Milwaukee (Veterans Admin.), 83,790 sq. ft.
Commerce Building, Milwaukee (Dept. of Housing & Urban Dev.), 51,124 sq. ft.
Clark Building, Milwaukee (U.S. Dept. of Ag.), 47,377 sq ft.
Continental Bank, Milwaukee (Treasury Dept.), 22,336 sq. ft.
USPS Building, Madison (U.S. Courts), 17,089 sq. ft.

WYOMING

National parks

Yellowstone National Park, Yellowstone National Park, 2,020,625 Federal acres.
Grand Teton National Park, Moose, 305,504 Federal acres.
Bighorn Canyon National Recreation Area, (Also in MT), 30,763 Federal acres.
John D. Rockefeller, Jr., Memorial Parkway, Moose, 23,777 Federal acres.
Fossil Butte National Monument, Kemmerer, 7,417 Federal acres.
Devils Tower National Monument, Devils Tower, 1,346 Federal acres.

Military bases

Francis E. Warren Air Force Base, Cheyenne, 4,149 employees.

Federal buildings

J. C. O'Mahoney Federal Building, Cheyenne (U.S. Postal Service), 129,870 sq. ft.
Federal Building/Post Office, Casper, 108,525 sq. ft.
Lea Building, Cheyenne, (Bureau of Land Management), 82,160 sq. ft.
Federal Building/Courthouse, Casper, (U.S. Dist. Courts), 23,825 sq. ft.
Federal Office Building, Cheyeene (Internal Revenue Service), 22,435 sq. ft.
BLM Building, Casper, (Bureau of Land Management), 16,460 sq. ft.

Mr. MATHIAS. I thank the distinguished Senator from Massachusetts. His historical tour of the District of Columbia has really set the stage for what I have to say and what I believe I have to do at this point.

The Senator from Montana is to be thanked and congratulated because in the tradition of the Senate he has tried very creatively to find a way through this tangle. He has tried to find a solution to this problem.

I think we are all in his debt for the kind of thinking that he has forced us to do here today. But I hope the Senator from Montana will not feel that I am in any sense being derogatory of this concept when I say that I think it is an inchoate idea. It is not a developed concept. The questions that I have asked, I think, clearly indicate the kinds of problems we would have if we were to adopt

this concept in its present form. It would really be very, very difficult.

Further, I feel very strongly that it would be a great injustice to the people of Maryland to impose this change on their political procedures and practices without adequate discussion and consultation.

For these reasons and not for any lack of respect for the very distinguished Senator from Montana, I move, Mr. President, at this point that the amendment be laid on the table.

Mr. MELCHER. Will the senior Senator from Maryland permit me 2 minutes on the motion?

Mr. MATHIAS. Yes. Mr. President, I do not want to lose control of the floor, but I ask unanimous consent that I may be permitted to yield 2 minutes to the Senator from Montana.

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

Mr. MELCHER. Mr. President, I just want to take this very brief time to lay out very clearly what the substitute does and does not do. I do not think there is any abundance of words that can be piled into the CONGRESSIONAL RECORD on the Senate floor that could make this issue confusing. It is a straightforward attempt to rectify what I consider to be a basic error in the Constitution, going back to the time the Constitution was framed. I do not believe the framers of the Constitution should ever have promulgated a restriction in the Constitution that denied the right of voting to any residents anywhere in the United States, including the District of Columbia. However, the deed was done. We are trying to rectify it now.

The House has passed and sent over to us House Joint Resolution 554, which would resolve the question by having the residents of the District eligible to elect Representatives to the House on the basis of population. Heretofore, we have adopted an amendment to the Constitution that permitted the District residents to vote for the President. In both cases, those questions have been based and agreed to, in the case of the President and the Vice President, and are being proposed to be agreed to before the House, on representation on the basis of population on the basis of citizenship. If that is accomplished, we have done the right thing in the case of the House of Representatives.

My substitute merely addresses the situation of how the District residents will be represented in the Senate. It is for that reason only, only for the reason of voting for Senators, that District residents will be treated as though they were residents of Maryland. It does not force any change on Maryland at all, it does not envision any change for Maryland at all. Nothing is ceded in land, nothing is ceded in property. It merely gives the franchise to elect Senators in a fair and equal way with all the rest of the people of this country and in a way that is consistent with what the framers of the Constitution had in mind when they found two different bases for electing Members of the House on one side—the basis of population—and the Senate—the basis of statehood. Since the issue is not making the District a State, the question still must be resolved of how they can then vote for Senator.

I think this is a fair method I have proposed, I think it is a logical one. I think it is the best one we could arrive at. I think it is one which could pass with a two-thirds vote in the Senate very promptly and, I daresay, it will be promptly endorsed by the States to arrive at three-fourths for ratification to correct the ills of disenfranchisement of the people of the District.

Mr. MATHIAS. Mr. President, I now renew my motion to lay on the table the pending amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from New York (Mr. MOYNIHAN), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

MR. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. MARK O. HATFIELD) would vote "yea."

The result was announced—yeas 52, nays 33, as follows:

[Rollcall Vote No. 329 Leg.]

YEAS—52

Bayh	Haskell	Nelson
Bellmon	Hathaway	Packwood
Bumpers	Heinz	Ribicoff
Byrd, Robert C.	Hodges	Riegle
Case	Hollings	Sarbanes
Chafee	Huddleston	Sasser
Chiles	Humphrey	Schmitt
Church	Inouye	Schweiker
Clark	Javits	Sparkman
Cranston	Kennedy	Stafford
Culver	Leahy	Stevenson
Danforth	Magnuson	Stone
Dole	Mathias	Talmadge
Durkin	Matsunaga	Thurmond
Eagleton	McGovern	Weicker
Glenn	Metzenbaum	Williams
Griffin	Morgan	
Hart	Muskie	

NAYS—33

Allen	Gravel	Melcher
Bartlett	Hansen	Nunn
Bentsen	Hatch	Pell
Burdick	Hatfield, Paul G.	Proxmire
Byrd, Harry F., Jr.	Hayakawa	Randolph
Cannon	Helms	Roth
Curtis	Jackson	Scott
DeConcini	Laxalt	Stevens
Domenici	Long	Tower
Ford	Lugar	Wallop
Garn	McClure	Zorinsky

NOT VOTING—15

Abourezk	Goldwater	Pearson
Anderson	Hatfield, Mark O.	Percy
Baker	Johnston	Stennis
Biden	McIntyre	Young
Brooke	Moynihan	
Eastland		

So the motion to lay on the table UP Amendment No. 1664 was agreed to.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I will shortly yield the floor, but I should like the attention of the Senate.

The PRESIDING OFFICER. The Senator will please suspend.

The Chair asks Senators to curtail conversations so that we may proceed.

Mr. ROBERT C. BYRD. Mr. President, I wonder if it would be possible to reach an agreement on a vote up or down on the D.C. representation amendment, say, next Monday or Tuesday, which would give all Members ample notice of the date and the time, and thus we would be able to vitiate the cloture vote on tomorrow.

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

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. Mr. President, I discussed this matter with the Senator, and I also have discussed it with the minority leader.

I had proposed that those of us who agree with the philosophy that we ought to reflect the view of the full Senate should join together in pairing and according such pairs as may be necessary so that neither side would be prejudiced nor advantaged by the fact that we might have some absentees.

For example, I expect to vote against the constitutional amendment, but I would be perfectly willing to pair with somebody, in order to help the Senators to arrive at what the decision of the Senate would be, provided the other side would reciprocate.

In other words, if those who favor it would be willing to provide some pairs, insofar as our side may have more absentees than theirs, I would be willing to pair and urge others to pair with absentees on the other side, in the event they should be the ones to have the most absentees.

If we can do that, we can avoid the foolishness of trying to find out who has the most troops in town on that day. I hope we can accommodate each other in that fashion, so it would not make any difference what time we decided to vote.

Mr. ROBERT C. BYRD. So far as I am concerned, I would be willing to give a pair, provided my vote did not influence the outcome. I would not expect any Senator to give a pair which would change the decision. I have stated my viewpoint. I would be willing to give a pair if my vote would not make a difference.

Mr. KENNEDY. Is there objection to the request? Are we talking now about voting?

Mr. ROBERT C. BYRD. Yes. I hoped we might get an agreement to vote up or down.

I am not counting the votes as to who will be here on Monday or Tuesday. I am trying to get an agreement so that all Senators will be notified in time as to when a vote would occur. In a vote of this nature, I think most Senators would want to know. We could vote Monday or Tuesday and vitiate tomorrow's cloture vote.

Mr. LONG. The Senator had not made his request.

I am not objecting. I am simply trying to move toward the point where it would not make too much difference who had the most troops in town that day.

Mr. McCLURE. Mr. President, will the Senator yield before propounding the request?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. I think everybody has been scurrying around counting votes and trying to determine who is absent and who is not, and I suspect that has been done on both sides of the aisle, on both sides of the issue.

Would the leader be amenable to a suggestion that everyone would agree that we vote up or down right now?

Mr. ROBERT C. BYRD. That would not give all Senators notice. The minority leader, for example, is out of town right now. I would not think we would want to vote up or down right now, with him out of town.

So far as I am concerned, yes, I will vote right now, and I have never indicated how I will vote. As a matter of fact, I have not fully decided. But if I had to vote, I could decide very quickly.

Mr. President, I do not mean to shortchange the Senator's suggestion. I do not thing that suggestion will be acceded to. I want to protect all Senators on both sides from a vote right now.

Mr. President, I ask unanimous consent that a vote occur on the D.C. representation amendment, up or down, at 6 p.m. on Monday and that tomorrow's cloture vote be vitiated.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, I would agree to Tuesday but not Monday.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I ask unanimous consent that a vote occur on Tuesday at——

Mr. McCLURE. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Could I make my request first?

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote occur on Tuesday at 3 p.m., up or down, on the D.C. representation amendment and that tomorrow's cloture vote be vitiated.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object, I am not sure whether this is possible, but I note that the Senator from Virginia, who has been managing the debate in opposition, is not on the floor at this time. In fairness to the Senator from Virginia, I think he at least should have the opportunity to be informed. I wonder whether the Senator would withhold that request until we could consult with the Senator from Virginia.

Mr. TOWER. Would the distinguished Senator from West Virginia put in a quorum call, to permit us to get our act together?

Mr. ROBERT C. BYRD. Certainly.

I withdraw my request, Mr. President.

FULL VOTER REPRESENTATION OF DISTRICT OF COLUMBIA

Mr. EAGLETON. Mr. President, full voting representation for the District of Columbia deals with a very fundamental issue: Whether the 700,000 people who live in our National Capital have the same right of representation in Congress as do all other American citizens. I believe they are entitled to the same rights as all other Americans, and I support House Joint Resolution 554 for a constitutional amendment to make clear for all time their right to be represented in both Houses of the Congress of the United States.

This is not an issue of technicalities or of legalisms. This is an issue involving real people and their participation in our republican form of government. Too often, government is concerned with technology and statistics—weapon systems, countercyclical funds, imports, allotments, appropriations, credits—and not with flesh-and-blood Americans.

The concerns of the residents of Washington, D.C., are just as real and have just as much marrow and feeling as those of citizens of any other part of our Nation. To residents of Washington, the responsibility of going to the neighborhood polling place and casting their ballots is just as real as for any American. To them, the bite of Federal taxes is just as real as to any American. To them, the rigors of military service are just as real as for any American called to national service.

For them, the legislation in Congress is just as real and has just as much impact as for any American, in fact, more so. Actually, in so many ways, the people of Washington, D.C., have more at stake in Congress than other Americans, for unlike any other jurisdiction in the country, the District is totally submissive to the will of Congress. Even with home rule in the District, Congress reserves absolute legislative authority to veto any act of District government and to initiate any legislation it wishes on local taxes, local redevelopment and zoning and all the other issues usually left to local government. It retains vast authority over the District criminal code and has final authority over the District budget.

The Constitution invested Congress with great power to maintain and preserve the District of Columbia as the seat of National Government, and nothing under the joint resolution will in any way alter or diminish that power. Congress will continue to have authority over the District's legislation and budget.

Hopefully, under home rule, Congress will permit local government to exercise true authority over District affairs and not interfere in the day-to-day administration of the city. Nonetheless, Congress holds the ultimate clout, and the people of the District should no longer be barred from its Chambers.

Senate approval of the joint resolution, already so resoundingly adopted by the House, will be a ringing affirmation that all Americans truly are equal under our Constitution.

As chairman of the Subcommittee on Governmental Efficiency and the District of Columbia, I have worked closely with the people of Washington. I know firsthand their dedication to effective local government, and presently I am completing, with their participation, two far-reaching reforms. One will revamp the District's financial recordkeeping and provide a complete and reliable audit in 1980. The other is a sweeping rewriting of the District police and fire pension systems first enacted by Congress back in 1916. The Pension Reform Act, S. 2316, will eliminate gross abuse of disability and other provisions and assure actuarial soundness. The bill now is on the Senate Calendar, and I hope it will be called up in the very near future.

I support the people of Washington in their quest to representation in the House and in the Senate. Alaska, Wyoming, Nevada, Delaware, North Dakota, South Dakota, Montana, Idaho, and New Hampshire all have populations less than the District's, but the Americanism of the people of the District is no less than theirs. No reading of the Constitution suggests that the men who wrote it foresaw the District growing so large, or intended to disenfranchise so many.

The amendment for full voter representation will affirm the basic rights of Washingtonians to be equal partners in a government we all cherish.

I thank the Chair.

ORDER OF BUSINESS

(The following proceedings occurred during Mr. MELCHER's remarks:)

Mr. ROBERT C. BYRD. Will the Senator yield to me so I may call up the recess resolution, with the understanding that there would be no interruption in the RECORD of the colloquy?

The PRESIDING OFFICER (Mr. FORD). Does the Senator from Montana yield for that purpose?

Mr. MATHIAS. Mr. President, I believe I have the floor, and I am delighted to yield.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

ADJOURNMENT OF THE TWO HOUSES OVER THE LABOR DAY HOLIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 696.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 696, which will be stated.

The legislative clerk read as follows:

H. CON. RES. 696

Resolved by the House of Representatives (the Senate concurring), That when the

House adjourns on Thursday, August 17, 1978, it stand adjourned until 12 o'clock meridian on Wednesday, September 6, 1978.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

UP AMENDMENT NO. 1666

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 1666:

On page 1, line 4, strike the period and insert ", and that when the Senate recesses on Friday, August 25, Saturday, August 26, Monday, August 28, or Tuesday, August 29, 1978, pursuant to a motion made by the Majority Leader in accordance with this resolution, it stand in recess until 10 o'clock a.m. on Wednesday, September 6, 1978."

Amend the title so as to read: "Concurrent resolution providing for an adjournment of the House from August 17 until September 6, 1978, and for a recess of the Senate from August 25, 26, 28, or 29 until September 6, 1978.

Mr. STEVENS. Mr. President, on behalf of our side of the aisle, I join the majority leader in presenting this amendment to the resolution.

Mr. ROBERT C. BYRD. I thank the distinguished acting minority leader.

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

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 696), as amended, was agreed to as follows:

HOUSE CONCURRENT RESOLUTION 696

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 17, 1978, it stand adjourned until 12 o'clock meridian on Wednesday, September 6, 1978.

FISHERMEN'S PROTECTIVE ACT VOLUNTARY INSURANCE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 10878.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate numbered 1 to the bill (H.R. 10878) entitled "An Act to extend until October 1, 1981, the voluntary insurance program provided by section 7 of the Fishermen's Protective Act of 1967, and for other purposes", with the following amendment:

In lieu of the matter inserted by the said amendment, insert: 1981; except that payments may be made under this section only to such extent and in such amounts as are provided in advance in appropriation Acts".

Resolved, That the House agree to the amendment of the Senate numbered 2 to the aforesaid bill with the following amendment:

Restore the matter stricken by the said amendment, amended to read as follows:

SEC. 2. Section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978) is amended—

(1) by amending subsection (a) thereof—

(A) by inserting "(1)" immediately before "When", and

(B) by striking out the last sentence and inserting in lieu thereof the following:

"(2) When the Secretary of Commerce or the Secretary of the Interior finds that nationals of a foreign country, directly or indirectly, are engaging in trade or taking which diminishes the effectiveness of any international program for endangered or threatened species, the Secretary making such finding shall certify such fact to the President.

"(3) Upon receipt of any certification made under paragraph (1) or (2), the President may direct the Secretary of the Treasury to prohibit the bringing or the importation into the United States of fish products (if the certification is made under paragraph (1)) or wildlife products (if the certification is made under paragraph (2)) from the offending country for such duration as the President determines appropriate and to the extent that such prohibition is sanctioned by the General Agreement on Tariffs and Trade.";

(2) by amending subsection (b)—

(A) by inserting "or the Secretary of the Interior" immediately after "Secretary of Commerce", and

(B) by inserting "or wildlife products" immediately after "fish products" each place it appears therein;

(3) by amending subsection (c) by inserting "or wildlife products" immediately after "fish products";

(4) by amending subsection (d)(2) by inserting "and wildlife products" immediately after "fish products";

(5) by amending subsection (e)—

(A) by inserting "and wildlife products" immediately after "fish products" in paragraph (1) and the first sentence of paragraph (5),

(B) by inserting "or other conveyance" immediately after "vessel" in paragraph (4)(B), and

(C) by striking out "Any fish products" in the second sentence of paragraph (5) and inserting in lieu thereof "Fish products and wildlife products";

(6) by amending subsection (f) by striking out "is" and inserting in lieu thereof ", the Secretary of Commerce, and the Secretary of the Interior are each";

(7) by amending subsection (g)—

(A) by striking out "in force" in paragraph (3) and inserting in lieu thereof "in effect",

(B) by striking out "to which the United States is a signatory party," and inserting in lieu thereof "which is in force with respect to the United States,", and

(C) by adding at the end thereof the following:

"(5) The term 'international program for endangered or threatened species' means any ban, restriction, regulation, or other measure in effect pursuant to a multilateral agreement which is in force with respect to the United States, the purpose of which is to protect endangered or threatened species of animals.

"(6) The term 'wildlife products' means fish (other than those to which paragraph (4) applies) and wild animals, and parts (including eggs) thereof, taken within an offending country and all products of any such fish and wild animals, or parts thereof, whether or not such products are packed, processed, or otherwise prepared for export in such country or within the jurisdiction thereof. Such term does not include any wild animal or fish if brought or imported inot the United States for scientific research.

"(7) The term 'taking' means—

"(A) for purposes of subsection (a)(2)—

"(i) to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or

"(ii) to attempt to engage in any such conduct with respect to,

animals to which an international program for endangered or threatened species applies; and

"(B) for purposes of paragraph (6), any conduct described in subparagraph (A)(i), whether or not such conduct is legal under the laws of the offending country, undertaken with respect to any wild animal.".

SEC. 3. (a) Section 10 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1980) is amended to read as follows:

"SEC. 10. (a) For purposes of this section—

"(1) The terms 'fishery conservation zone', 'fishing', 'fishing vessel', 'Secretary', and 'vessel of the United States' shall each have the same respective meaning as is given to such terms in section 3 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1802).

"(2) The term 'fishing gear' means any equipment or appurtenance which is necessary for the carrying out of fishing operations by a fishing vessel, whether or not such equipment or appurtenance is attached to such vessel.

"(3) The term 'fund' means the Fishing Vessel and Gear Damage Compensation Fund established under subsection (f).

"(b) Subject to the provisions of this section, the owner or operator (hereinafter referred to as the 'vessel owner') of any fishing vessel which is a vessel of the United States is eligible for monetary compensation under this section for any damage to, loss of, or destruction of such vessel, or any fishing gear used with such vessel, or both, if the damage, loss, or destruction—

"(1) occurs when such vessel is within, or such gear is being used for fishing within, the fishery conservation zone; and

"(2) is attributable—

"(A) in the case of such vessel, to any vessel (or its crew or fishing gear) other than a vessel of the United States, or

"(B) in the case of such fishing gear, to (i) any other vessel, whether such vessel is a vessel of the United States, or (ii) an act of God.

"(c) A vessel owner is not eligible for compensation under this section with respect to fishing vessel or fishing gear damage, loss, or destruction unless such owner—

"(1) makes application to the Secretary for compensation under this section within sixty days after the day on which the damage, loss, or destruction occurred or was first noticed by the owner;

"(2) pays upon making such application a reasonable administrative fee which the Secretary shall deposit into the fund;

"(3) has, in such form as the Secretary shall prescribe by regulation, a current inventory or other evidence of possession of the fishery vessel or fishing gear concerned;

"(4) has complied with all applicable regulations, if any, relating to the marking of, and (if appropirate) the notification of the location of, the fishing gear concerned; and

"(5) is in compliance with such other regulations as may be prescribed by the Secretary to carry out this section.

"(d)(1) Application for compensation under this section shall be made in such form and manner, and include such documentation and other evidence relating to the cause and extent of the damage, loss, or destruction claimed, as the Secretary shall prescribe by regulation. The Secretary shall promptly, but not later than sixty days after receipt of an application, consider, and issue an initial determination with respect to, the application.

"(2) The amount of compensation awarded to any vessel owner under this section shall be—

"(A) determined on the basis of the depreciated replacement cost, or the repair cost,

whichever cost is less, of the fishing vessel or fishing gear concerned;

"(B) proportionally reduced to the extent that evidence indicates that negligence by the vessel owner contributed to the cause or extent of the damage, loss, or destruction; and

"(C) reduced by the amount of compensation, if any, which the vessel owner has received, or will receive with respect to the damage, loss, or destruction through insurance, pursuant to any other provision of law, or otherwise.

"(3) The initial determination made by the Secretary under paragraph (1) with respect to any application shall—

"(A) if the application is disapproved, set forth the reasons therefor; or

"(B) if the application is approved, set forth the amount of compensation to which the applicant is entitled and the basis on which such amount was determined.

"(4) Any vessel owner who is aggrieved by any decision of the Secretary contained in the initial determination of the Secretary regarding such owner's application may, within thirty days after the date of issue of the initial determination, petition the Secretary for a review of the decision. If petition for review is not made to the Secretary within such thirty-day period regarding the initial determination, the initial determination shall be deemed to be the final determination on the application. Before undertaking any such review, the Secretary shall provide to the vessel owner opportunity to submit additional written or oral evidence relating to the decision. After review the Secretary shall issue a final determination with respect to the application.

"(5) If compensation is awarded under the final determination of any application, the Secretary shall promptly pay from the fund to such owner the amount of compensation stated in the final determination. Upon the acceptance of such payment by the vessel owner, the United States shall be subrogated to all rights of the vessel owner with respect to which the payment is made.

"(e) In addition to any fee imposed under section 204(b)(10) of the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1824(b)(10)) with respect to any foreign fishing vessel for any year after 1978, the Secretary shall impose a surcharge in an amount not to exceed 20 percent of the amount of the fee imposed under such section for such year. The failure to pay any surcharge imposed under this subsection with respect to any foreign fishing vessel shall be treated by the Secretary as a failure to pay the fee for such vessel under such section 204(b)(10).

"(f)(1) There is established in the Treasury of the United States the Fishing Vessel and Gear Damage Compensation Fund. The fund shall be available without fiscal year limitation as a revolving fund for the purposes of administering, and paying compensation awarded under, this section.

"(2) The fund shall consist of—

"(A) all sums recovered by the United States in the exercise of rights subrogated to it under subsection (d)(5);

"(B) all administrative fees collected under subsection (c)(2);

"(C) all surcharges collected under subsection (e);

"(D) revenues received from deposits or investments made under the last sentence of this paragraph; and

"(E) any revenue acquired through the issuance of obligations under paragraph (3).

Sums may be expended from the fund only to such extent and in such amounts as are provided in advance in appropriation Acts. Sums in the fund which are not currently needed for the purpose of paying such awards shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

"(3) Whenever the amount in the fund is not sufficient to pay compensation under this section, the Secretary may issue, in an amount not to exceed $5,000,000, notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such notices or other obligations shall bear interest at a rate to be determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notices or other obligations. Moneys obtained by the Secretary under this paragraph shall be deposited in the fund and redemptions of any such notices or other obligations shall be made from the fund. The Secretary of the Treasury shall purchase any such notes or other obligations, and for such purposes he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act. The Secretary of the Treasury may sell any such notices or other obligations at such times and prices and upon such terms and conditions as he shall determine. All purchases, redemptions, and sales of such notes or other obligations by the Secretary of the Treasury shall be treated as public debt transactions of the United States. All borrowing authority contained herein shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(g) Any person who willfully makes any false or misleading statement or representation for the purpose of obtaining compensation under this section is guilty of a criminal offense and, upon conviction thereof, shall be punished by a fine of not more than $25,000, or by imprisonment for not more than one year, or both.".

(b) The amendment made by subsection (a) shall take effect January 1, 1979.

(c) Nothing in the amendment made by subsection (a) shall be construed as affecting in any manner or to any extent any loan made under section 10 of the Fishermen's Protective Act of 1967 (as in effect before January 1, 1979), and, for purposes of the consideration by the Secretary of Commerce of any application for a loan under such section which was filed, but not acted on, before January 1, 1979, the amendment made by subsection (a) shall not be deemed to have been enacted.

UP AMENDMENT NO. 1665

Mr. STEVENS. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes unprinted amendment numbered 1665.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, line 7, of the House engrossed amendments, insert "'fishery'," immediately after "terms".

On page 6 of the House engrossed amendments, strike out lines 3 through 12, inclusive, and insert the following:

"(1) in the case of such vessel—

(A) occurs when such vessel is engaged in any fishery subject to the exclusive fishery management authority of the United States under the Fishery Conservation and Management Act of 1976, and

"(B) is attributable to any vessel (or its crew or fishing gear) other than a vessel of the United States; or

"(2) in the case of such fishing gear—

(A) occurs when such fishing gear is being used for fishing in any fishery subject to such exclusive management authority, and

"(E) is attributable to (i) any other vessel, whether such vessel is a vessel of the United States, or (ii) an act of God.

Mr. STEVENS. Mr. President, the amendment that I am offering to H.R. 10878, the Fishermen's Protective Act amendments, is very simple. It merely extends the eligibility for compensation from the section 10 vessel and gear compensation fund to U.S. fishing vessels and fishing gear that operate outside of our 200-mile fishery zone for species that the United States exercises exclusive management authority over—principally crab fishermen in the Bering Sea.

Mr. President, we had agreed with the House to cover this, but due to an oversight on their part, this coverage was not included in the bill, even though the House floor statements illustrate that the Members thought that it was. This amendment merely corrects this oversight to reflect our understanding and agreement with the House.

Mr. STEVENS. Mr. President, I move that the Senate concur in the House amendment to the Senate amendment numbered 1.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. STEVENS. I move that the Senate concur in the House amendment to the Senate amendment numbered 2 to the bill, with the further amendment.

The PRESIDING OFFICER. The question now recurs on the motion to concur in the House amendment to the Senate amendment to the bill, with an amendment.

The motion was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion to concur in the House amendments to the Senate amendments to the bill with the further amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, on behalf of the Senator from Washington and myself, I thank the distinguished majority leader for his courtesy.

COMMEMORATING THOMAS ALVA EDISON

Mr. RIBICOFF. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

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

The legislative clerk read as follows:

A resolution (S. Res. 541) commemorating Thomas Alva Edison, American inventor.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

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

Mr. RIBICOFF. Mr. President, this res-

olution honors a unique inventive genius, the late Thomas Alva Edison, who founded the Edison Electric Light Co. on October 15, 1878, a predecessor of today's General Electric Co.

It is an honor for me to pay tribute to this outstanding American whose name is synonymous with invention. From his creative enterprise emerged a stream of developments that profoundly influenced the development of industrial America and benefited the lives of millions.

Known as the father of the light bulb, Thomas A. Edison was able to conduct his experiments after receiving financial support from a small group of investors led by New York attorney Grosvenor P. Lowrey. In October of 1878, the Edison Electric Light Co. was organized for the purpose of supporting the "Wizard of Menlo Park" in his efforts to develop a practical incandescent bulb. This small company—capitalized at $300,000—represented the beginning of increasingly productive relations between business and technology in this country.

Edison's invention of a practical electric light on October 19, 1879, symbolized the beginning of a new era in which electricity played an increasingly significant role in the lives of Americans. The Edison Electric Light Co. rapidly expanded over the years, and was consolidated with several of the inventor's other companies in 1889 to form the Edison General Electric Co. In 1892, the General Electric Co. was formed by the merger of Thomson-Houston Co. with Edison's company.

Nearly 100 years after the formation of his fledgling company, Thomas Alva Edison's achievements—including 1,093 patents covering the phonograph, motion pictures, the electric pen, waxed paper and the incandescent lamp—remain as monuments to American ingenuity. Today, the name Edison continues to inspire the men and women of the successor General Electric Co. to reach new frontiers of technology and progress for people.

Edison's first central power station, built at Pearl Street in New York in 1882, was the first of many electrical generating stations and distribution systems to be engineered and built in America. Today's General Electric technology is being applied to the development of improved power systems to meet the Nation's growing electricity needs as well as more efficient methods of utilizing our finite supplies of energy.

Motors and dynamos built by Edison were the first of a century-long line of developments in which electricity is being made to do more work more economically. The current energy-conscious environment finds new generations of energy-efficient motors that can help reduce power consumption of air conditioners, refrigerators, and furnaces.

Edison's lamp has been improved over the years, to be joined by hundreds of additional, higher-output energy-efficient types from General Electric research. As an example, today's 1,000-watt Lucalox(R) lamps are about 100 times as efficient as Edison's first light bulbs.

Edison built an electric locomotive in 1880, and today, transportation technology developed by General Electric includes powerful jet engines such as the CF6 that powers widebodied aircraft, marine propulsion systems, and high-speed rapid transit systems.

Edison's phonograph is perhaps the best known consumer product to have begun a century-long parade of useful ideas for the home from General Electric. These include the famous Monitor Top refrigerator, electric range, the "Hotpoint" iron and today's modern microwave ovens, smoke alarms and tape recorders.

Today, 100 years after the founding of Edison's innovative company, General Electric continues in the tradition of Menlo Park. Over 30,000 employees with technical degrees are at work on the products of tomorrow, including 700 affiliated with the General Electric Research and Development Center.

From the small cadre of Edison Associates, General Electric has grown to employ some 384,000 men and women around the world, including 279,000 in the United States. And, while Edison's modest company produced no sales in its first year—one in which lighting experiments were its sole output—the successor of that company today produces sales of products and services to customers around the world of $17.5 billion. A significant contribution of that company's international business is a trade surplus of $1.9 billion (1976) and a balance of payments surplus of more than $2 billion. This international business provides 47,000 GE jobs in the United States and another 44,000 jobs among U.S. suppliers.

I am proud that the home of General Electric is located in my own State in Fairfield, Conn.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 541) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Rec. 541

Whereas the Edison Electric Light Company was established on October 15, 1878, to support the inventive genius of Thomas Alva Edison;

Whereas Thomas Alva Edison's creative enterprise successfully developed the first practical incandescent lamp in October of 1879, established the Nation's first industrial research laboratory and the manufacturing experience to transform innumerable inventions into practical products available to millions throughout the world;

Whereas the growth of the Edison Companies produced a corresponding growth of technological innovations for the generation, transmission, distribution, and utilization of electricity;

Whereas the General Electric Company, successor to the Edison Company, celebrates one hundred years of progress for people on October 15, 1978;

Resolved, That the United States Senate marks the occasion of the one-hundredth anniversary of the enterprise founded by Thomas Alva Edison as an appropriate time to recognize his unique contributions to America and the world.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. KENNEDY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. LEAHY. I yield for the purpose of a unanimous-consent request.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. Bob McNamara, of my staff, be accorded the privilege of the floor during consideration of this legislation.

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

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

Mr. LEAHY. Without losing my right to the floor, I yield to the Senator from Wyoming for a unanimous-consent request.

Mr. WALLOP. Mr. President, I ask unanimous consent that Pat Hoff, of my staff, be accorded the privilege of the floor throughout debate and votes on this measure.

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

VETO OF MILITARY PROCUREMENT AUTHORIZATION BILL

Mr. LEAHY. Mr. President, I rise to add my voice to those who will support the decision of President Carter to veto the Department of Defense authorization bill.

I wish to explain my reasons for that. In my judgment, the President's action was both necessary and based on solid reasoning. Many of my colleagues in the Senate know that I have strongly opposed the construction of additional *Nimitz*-class aircraft carriers since I came to Washington. In August of 1976, I introduced an amendment to the fiscal year 1977 appropriations bill to delete funding for a large deck carrier. That amendment, as Senators will recall was defeated. I believe there were 50 or 51 votes against it, giving some idea of the split in the Senate.

In October of that same year, I called the Senate's attention to the National Security Council study that raised serious questions about the military and economic viability of *Nimitz*-class carriers.

The U.S. Navy is charged with a number of mission responsibilities that the large deck aircraft carrier is not designed to meet. The proposed vessel at the center of the present controversy would not come into service until the late 1980's (1987), but would preclude the allocation of Naval appropriations for many more pressing, immediate needs. The appropriation of nearly $2 billion for an additional *Nimitz*-class carrier would force the deletion of a considerable amount of operations and maintenance money that is necessary to keep the Navy in a state of preparedness. Research and development funds that may very well prove vital in a few years would also have to make way for the new carrier. And finally, many hard procurement items would be sacrificed.

There has a been a great deal of discussion in recent months about the state

of the Navy, and its relative strength when compared with the Soviet Navy. I am willing to admit that there are areas within our Navy that cause me concern—we must improve, we must increase and streamline our shipbuilding efforts. In some cases they have been a total shambles. I am firmly convinced, however, that the huge expenditure demanded by the construction of another *Nimitz*-class carrier cannot address those problems that must be resolved in the very near future, and therefore cannot be justified.

In that regard, Mr. President, I am totally unimpressed with some of the charts that have been sent over on occasion for those seeking naval shipbuilding funds which show the Soviet Navy like this and the U.S. Navy at about one-quarter the strength, especially when some of those same charts will compare on a one-for-one basis something like a *Nimitz*-class aircraft carrier with a vessel the size of a small boat that the Vermont State Police use on Lake Champlain.

I believe that there is one point concerning this issue that we must all consider—and I am of the opinion that President Carter has done so—the central question is one of U.S. naval policy. The role of the large deck aircraft carrier is still a matter of debate in this Government. There are few who question the need for the United States to maintain a strong, flexible Navy, and I certainly support such a concept. The construction of additional *Nimitz*-class carriers all but destroys our ability to remain flexible.

That is the point we have to remember, Mr. President. The construction of additional *Nimitz*-class carriers all but destroys our ability to remain flexible. Further commitment to this type of vessel will lock the U.S. Navy into a policy, and indeed a role, that many military experts believe will not meet the needs of this country. I submit, Mr. President, that this is not solely a monetary issue, even though it be an enormous expense for such an aircraft carrier, but rather, and more importantly, is a question of national defense policy.

I will not rehash the arguments regarding the vulnerability of large deck carriers. I will only say that advances in weapons technology raise several very serious questions in my mind. It is doubtful as to whether even a well-escorted and well-screened nuclear carrier could survive an attack by ships armed with the latest available missiles, especially those that will be available in 1987 when the ship would be in service. In addition, I feel strongly that the dual role of the U.S. Navy to project power around the world and to keep the sealanes open—should that become necessary—can be far better accomplished by increasing the number of smaller, modern ships employing the most advanced technology. We must look to the development of an advanced, flexible, economical Navy for the years to come, and not lock future Americans into a naval policy that is yet unresolved and highly subject to question.

We must remember that the large deck aircraft carrier has its place, but cannot be allowed to take precedence at the expense of the rest of the Navy. The carrier force that the Navy currently possesses will enable this country to maintain a carrier fleet into the 21st century. Today, we must allocate our resources to those other, far more pressing naval demands if we wish to retain a truly effective force. We cannot afford to build monuments to past wars—but we must take those necessary, however difficult, steps to move forward to adequately and appropriately meet our naval security needs of the future as well as of today.

Mr. McGOVERN. Mr. President, will the Senator from Vermont yield to me for a comment?

Mr. LEAHY. I yield.

Mr. McGOVERN. Mr. President, first of all, I commend the Senator from Vermont for the fight he led here in the Senate earlier to eliminate the *Nimitz* class carrier which is responsible for the President's veto today. The Senator made an argument that seemed to me compelling and overwhelming in its logic some months ago.

As a Senator fully committed to the adequate defense of this country, I thought his argument was unanswerable. So I commend him for the foresight he showed in and his leadership on this issue.

I also join the Senator from Vermont in commending President Carter for the wisdom, the courage, and the commonsense that he has demonstrated today in vetoing this defense authorization bill.

We know why it was vetoed. It was because of this highly expensive nuclear aircraft carrier which our most thoughtful defense planners say will actually weaken the defense of the country rather than contribute to it because it deprives us of resources that we need for other more urgent sources of naval strength.

I think the evidence is growing all the time that in the event of a major war these huge, oversize, tremendously costly carriers would be sitting ducks in the age of missile warfare and would doubtless be destroyed in the opening hours of any such conflict.

This morning's Washington Post, if the Senator will bear with me for just a moment, carried an article by Mr. Don Oberdorfer, in which he quotes an unnamed but high official in the Defense Department who has concluded if we were to have proceeded with the building of this tremendously expensive nuclear carrier running to billions of dollars in initial cost, in the amount of $2 billion, that it would mean cutting important parts of the defense budget, to say nothing of items outside of the defense budget that we also need.

He said, and I quote:

> The "glamorous" carrier would be at the expense of funds needed to maintain the fighting fitness of warships, planes and other military equipment already in use.

He goes on to say:

> We have a serious problem of degrading our military capability below what it would otherwise be in order to procure some particular weapon system that seems attractive to some in Congress, the military and contractors. I just don't think we can afford that in the long run.

But the point of all of this, Mr. President, is that we do have, thank God, civilian authority in this country; we do have a Commander in Chief, who has the constitutional power to veto measures that he thinks are not in the public interest.

If there was ever a Presidential veto that I fully subscribe to, and that I think the American people would support when they hear the issues discussed openly and candidly, it is this veto.

I commend both the Senator from Vermont and the President for the leadership they have demonstrated. I thank the Senator for yielding to me.

Mr. President, I ask unanimous consent that the article on this subject by Mr. Oberdorfer be printed in the RECORD.

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

PRESIDENT WEIGHS VETO OF WEAPONS PROCUREMENT BILL

(By Don Oberdorfer)

President Carter held lengthy meetings with senior advisers yesterday amid indications that he will veto the $36 billion weapons procurement bill, and has called congressional leaders to the White House today to discuss the legislation.

An administration official close to the situation said last night that Carter has made a "firm" decision to reject the massive military bill, which would be an action with little or no precedent in recent times. But other officials said they had been told after a presidential meeting, which included Secretary of Defense Harold Brown and senior White House and Budget Bureau figures, that no final decision has been made.

Carter has until midnight tonight to either sign the bill, veto it or allow it to become law without his signature. He is expected to announce what he will do in a televised news conference scheduled for 4 p.m. today. It will be carried live on channels 4, 7 and 9 and on tape at 11:30 p.m. on channel 26.

The main item of dispute is a giant, nuclear powered aircraft carrier costing $2 billion, which was added by Congress after an active lobbying campaign by nuclear seapower advocates, including some uniformed officers of the Navy.

A veto would pit Carter, a former nuclear officer of the Navy, against the strong sentiment of many in his former service, including his naval mentor, Adm. Hyman G. Rickover.

There is "very strong sentiment" in the White House for rejecting the bill, an informed official said last night, but also "great concern about the political costs." Congressional sources said White House aides have been making soundings on Capitol Hill in an effort to determine whether a veto of the bill could be sustained.

The administration has been carrying on a lobbying effort to persuade the Senate Appropriations Committee to kill the nuclear carrier by dropping it from the military appropriations bill, which is a companion measure to the authorization bill now on the president's desk. Some sources in Congress, where speculation about Carter's action was rampant yesterday, suggested that the veto talk might be part of the lobbying effort with the Senate committee.

A top defense official, speaking to reporters early yesterday, accused Congress of lowering combat readiness by cutting important parts of the defense budget to pay for the $2 billion carrier. The official, who did not permit use of his name, said the "glamorous" carrier would be at the expense of funds needed to maintain the fighting fitness of warships, planes and other military equipment already in use.

"We have a serious problem of degrading

our military capability below what it would otherwise be in order to procure some particular weapon system that seems attractive to some in Congress, the military and contractors. I just don't think we can afford that in the long run," the official said.

The official added that Congress' plan to purchase the nuclear carrier would cut deeply into allotments proposed for strengthening U.S. forces committed to the North Atlantic Alliance and for proposed research and development.

As passed by Congress in its final form, the authorization bill for weapons procurement, military research and civil defense totaled $36.9 billion, about $1.5 billion more than had been recommended by Carter in his budget. The remarks of the top Defense Department official suggested that Carter's attack on the measure, if he makes it, is likely to be centered on the changed priorities among weapons and other defense expenditures, rather than on the issue of additional cost.

After the bill was passed, the administration indicated it would accept the authorization of a conventionally powered aircraft carrier, which would cost about $1.5 billion. But Defense Secretary Brown and others remained strongly opposed to the big nuclear ship.

Mr. LEAHY. I thank my distinguished colleague from South Dakota. I know of the concern he has expressed time and time again about this, and I appreciate his kind personal remarks.

I can only reiterate what both of us have said. It is not an anti-Navy or anti-defense posture we are stating here today, not at all. In fact, I consider it far more a pro-Navy, prodefense posture. Instead of getting ourselves locked into billions and billions of dollars in one increasingly vulnerable weapons system for the Navy, how much better that we use what resources we have, resources of technology, resources of money, resources of personnel, to diversify the Navy and have a Navy that is flexible enough to meet all the challenges of the modern world, and flexible enough to have the United States maintain its defense commitments around the world.

ORDER OF BUSINESS

Mr. LEAHY. Mr. President, I am intending to call up a conference report on the District of Columbia appropriations, but I do not know whether the distinguished majority leader——

Mr. STEVENSON. Mr. President, I thought the Senator was not ready, and that he could yield to me so that I could bring up conference reports. If that is what he is proposing to do I will not make my request.

Mr. LEAHY. This will take a relatively short period of time, I understand on the other side of the aisle there will be a request for the yeas and nays on passage of it because it is an appropriation bill.

Mr. STEVENSON. Mr. President, these will not require rollcall votes, they will take very little time. Will the Senator yield, Mr. President?

Mr. THURMOND. Mr. President, will the distinguished Senator yield for me to make some remarks on the same subject on which he spoke?

Mr. LEAHY. I will in just a moment.

I wonder if I might ask unanimous consent that I have the floor to call up my conference report on the District of Columbia appropriations immediately following the conference reports of the distinguished Senator from Illinois?

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

Mr. MATHIAS addressed the Chair.

Mr. THURMOND. Mr. President, will the Senator yield to me?

Mr. STEVENSON. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Vermont has a unanimous-consent agreement, and the Senator from Illinois has the floor.

Mr. STEVENSON. Mr. President, I thank the distinguished Senator for yielding me the floor.

NATIONAL CLIMATE ACT OF 1979— CONFERENCE REPORT

Mr. STEVENSON. Mr. President, I submit a report of the committee of conference on H.R. 6669 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6669) to establish a national climate program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their repective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 14, 1978.)

Mr. STEVENSON. Mr. President, this bill is the product of 2 years of collaboration between the House and Senate to fashion a multiagency climate research program and develop more effective ways of using climate information. The majority and minority members of the Committee on Commerce, Science, and Transportation have worked closely together. I particularly want to emphasize the important contribution of the Senator from Kansas (Mr. PEARSON) and the Senator from New Mexico (Mr. SCHMITT). The late Senator Hubert Humphrey also played a major role in developing the Senate version of the legislation.

I do not intend to repeat the substantive points of the statement of managers which are spelled out in the conference report. I want only to stress that the legislation directs that climate research go forward under the leadership of the Secretary of Commerce but retains major responsibilities among other Federal agencies concerned with climate research and use of climate data. This will be a national, multiagency program with participation by regions, States, local governments, and the private sector. The President is given the job of defining the roles of Federal agencies and for achieving coordination of these activities.

I want also to emphasize that the Subcommittee on Science, Technology, and Space plans continuing oversight of the program. The subcommittee will review carefully the 5-year program plan which the President must promulgate. We will be particularly concerned with those elements of the plan relating to the economic, social, and political impacts of climate change. The capacity to carry out timely assessments on the effect of climate on agricultural production, energy use, water resources, land resources, the natural environment, transportation, human health, and national security will be extremely important.

The last several years have dramatized our dependence on favorable climate patterns. We hope this legislation will develop the knowledge and ability to conduct our activities in a manner which takes climatic factors fully into account.

Mr. President, I move the adoption of the conference report on H.R. 6669, the National Climate Program Act.

Mr. SCHMITT. Mr. President, the conference committee on the National Climate Program Act, H.R. 6669, has successfully completed it work and reported this bill to the Senate for final passage.

Enactment of this legislation into law will provide the basis for a coordinated and comprehensive national climate research and service program. The results of the research efforts conducted pursuant to this act will greatly expand our knowledge of climatic processes and our ability to predict those processes. Equally important is the emphasis placed in the act on the utilization of such information by all sectors of the economy.

I am particularly impressed with the need to expand and develop climate-related services that are available to user groups throughout the country. The original bill introduced by Senator PEARSON and myself contained a provision for an intergovernmental climate program, a mechanism that would provide Federal grants to States and user groups to insure that the service sector is an integral part of the entire national climate program. I am happy to see this program authorized by the conference report.

The national climate program will be administered by the National Climate Program Office that will be established within the Department of Commerce. Funding for the program will begin with fiscal year 1979. We will carefully monitor the implementation and administration of the act to insure that aggressive Federal leadership and financial support is provided for this extremely important and innovative program.

Mr. President, I would like to thank the conferees and the committee staffs on the very excellent job of resolving the differences in the two bills.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STEVENSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTION OF ENROLLMENT OF H.R. 6669

Mr. STEVENSON. Mr. President, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the concurrent resolution by title.

The assistant legislative clerk read as follows:

Concurrent resolution to correct the enrollment of H.R. 6669.

The concurrent resolution (S. Con. Res. 103) was considered and agreed to as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 6669), to establish a national climate program, and for other purposes, the Clerk of the House of Representatives shall make the following correction:

In section 5(b)(1), strike "(8)" and insert in lieu thereof "(9)".

NASA AUTHORIZATIONS, 1979—CONFERENCE REPORT

Mr. STEVENSON. Mr. President, I submit a report of the committee of conference on H.R. 11401 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11401) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. STEVENSON. Mr. President, the conference agreement authorizes $4,401,600,000 for the National Aeronautics and Space Administration for fiscal year 1979. This amount is $13 million above the Senate bill, $13.7 million below the House bill, and $30 million above the budget request.

The increase above the request reflects the desire of the conferees to identify areas where NASA should apply additional emphasis. These increases are in the area of space applications, energy technology, technology transfer, and aeronautics. The total program provided for in this bill represents an austere but generally well balanced program in space and aeronautical research.

Mr. President, I believe the conference agreement is a reasonable compromise of the differences between the House and the Senate on this bill. I know of no objection to this conference report.

Mr. President, I move the adoption of the conference report.

Mr. SCHMITT. Mr. President, one of the most exciting commitments by the American people in the last decade was to landing men on the Moon. That effort was represented by a unified industry and ingenuity never before seen in peace time. The young were caught by imagination, the technical community responded to the challenge, and all over the world people reacted to a new horizon within reach.

The Apollo explorations and the Mercury and Gemini programs were man's first halting and clearly personal look at his universe. We have had the audacity to try to understand our place in the universe and in its future, and we have had the further audacity to use that understanding to try to alter the universe and to more fully perceive the Earth, using in large measure corrected vision from space.

The technology developed for the space program has provided us with multiple practical benefits. There are applications in agriculture, business, communication, medicine, defense and diplomacy, to name only a few. In the future, that technology will provide accessibility to the new Earth orbit resources of weightlessness and high vacuum for manufacturing, medical and surgical procedures, and other services.

These benefits could not have been derived from a static technology developed through the exclusive use of the mechanical exploration of space. Man in space means on-the-spot invention, testing, questioning, and revision of space technology. The presence of man in space was, is, and shall continue to be vital to the well-being of the space program. There are new avenues of opportunity opened by the space program of the sixties. It is up to man to explore them. It is up to us to create the opportunities for such exploration.

Mr. President, today the Senate receives the conference committee report on the National Aeronautics and Space Administration (NASA) authorization bill for fiscal year 1979, H.R. 11401. My fellow conferees, their staffs and that of the committees are to be congratulated for resolving the differences between the House and Senate versions in a fair and equitable manner. The final authorization, which is $30 million over the budget request, gives direction to NASA for funding of programs that the Congress feels are most important.

Mr. President, I want to thank the distinguished Senator from Illinois, Mr. STEVENSON, for his able chairmanship of the Science, Technology and Space Subcommittee and for his able leadership in all the meetings and hearings that went into the formulation of this NASA authorization bill.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

AUTHORIZATION FOR SELECT COMMITTEE ON ETHICS TO PARTICIPATE IN JUDICIAL PROCEEDINGS

Mr. STEVENSON. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 542) authorizing the Select Committee on Ethics to participate in judicial proceedings deemed necessary to obtain information regarding its initial review in matters pertaining to Senators HERMAN E. TALMADGE of Georgia and EDWARD BROOKE of Massachusetts.

The Senate proceeded to consider the resolution.

Mr. STEVENSON. Mr. President, this resolution has been reported from the Senate Ethics Committee. It has been cleared on both sides, and I know of no objection to it.

The Select Committee on Ethics has for the past 2 months been inquiring the allegations concerning the legality and/or propriety of certain alleged actions of Senator HERMAN E. TALMADGE of Georgia and EDWARD BROOKE of Massachusetts.

In the course of the initial review into the allegations concerning Senator TALMADGE the committee has learned that at least one and perhaps more prospective witnesses are unwilling to testify without the protection of use immunity—a form of immunity which only protects the witness from the use of his testimony before the committee in any future criminal proceedings, but does not protect him from being charged criminally assuming other evidence is available.

Although the initial review into the allegations concerning Senator BROOKE have not proceeded to the point where it can be determined with certainty that use immunity will be necessary, the Select Committee on Ethics in the interest of economy of time desires to be given the authority, as set forth in the proposed resolution, to participate in the judicial proceedings preliminary to the granting of such use immunity, and in any other judicial proceedings deemed necessary by the committee to expedite the investigation of the aforementioned allegations concerning the two Senators. I, therefore, move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 542) was agreed to as follows:

Authorizing the Select Committee on Ethics to participate in judicial proceedings deemed necessary to obtain information regarding its initial review in matters pertaining to Senators Herman E. Talmadge of Georgia and Edward Brooke of Massachusetts.

Resolved, That the Select Committee on Ethics is authorized to participate in any judicial proceeding, whether initiated by the select committee, or any other person, deemed necessary by the select committee to obtain testimony, documents, or other evidence concerning or relating in any way to its inquiry into or investigation of allegations of impropriety concerning Senator Herman E. Talmadge or Senator Edward Brooke.

Mr. STEVENSON. Mr. President, I thank the distinguished Senator.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the unanimous-consent agreement the

Senator from Vermont is recognized to call up the D.C. appropriations bill.

Mr. LEAHY. Mr. President, I ask unanimous consent to yield 5 minutes to the Senator from South Carolina without losing my right to the floor and without losing my right to bring up the D.C. appropriations conference report.

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

VETO OF MILITARY PROCUREMENT AUTHORIZATION BILL

Mr. THURMOND. Mr. President, I thank the Senator from Vermont. The purpose of my remarks is to reply to his remarks on the DOD authorization bill which the President has vetoed, with special emphasis on the carrier.

President Carter's veto today of the fiscal year 1979 Military Authorization Act adds up to the wrong decision at the wrong time for the wrong reasons.

WRONG DECISION

Mr. President, it is the wrong decision because it flies in the face of studies which Congress requested of the Navy that show when total life cycle costs are considered the nuclear carrier is more cost effective than the convention carrier.

Further, the nuclear carrier gives us much, much more in the way of capability. It has four screws instead of two, it carries 45 percent more planes, it has its own powerplant and is not dependent upon oil-carrying ships needed to support the conventional carrier.

Although President Carter says he favors the conventional carrier, he has vetoed a military authorization bill for the first time in history because it is nuclear powered.

Of great importance to me on this issue is the fact that the nuclear carrier is much more survivable than the conventional ship. Faced with the modern weapons of today we should put our seamen on only the most survivable platforms.

WRONG TIME

This veto also comes at the wrong time for the President and the Nation.

The President has already ended production of the B–1 bomber and the Minuteman III missile. He has delayed development of the MX Mobile Missile and cut by one-half the Navy's 5-year shipbuilding program. He has cut overall defense spending about $15 billion in the past 2 years, negotiated away cruise missile ranges in SALT, and generally given the world a confused policy on U.S. firmness in defense.

Now he is adding the Navy's nuclear attack aircraft carrier ot his list of defense programs that get the ax. This type of decision, at this time, sends the wrong signal to the Soviet Union and throughout the world. It is ill timed as well as ill conceived.

WRONG REASONS

The President's action is also based upon the wrong reasons. He says he favors saving the few hundred million difference in the carrier cost so we can have more ships for the Navy. Yet, if he favors more ships, why has his administration cut the Navy's 5-year shipbuilding plan from 157 ships to 70 ships?

President Carter also claims the cost of the nuclear carrier is taking money away from other programs. But that is not the case, as the Congress has given the President about all he requested in his budget. In fact, Congress has added some items over and above the President's request because it was a modest program. Certainly some requests were not allowed, but the Congress and the four military committees have much more defense experience than the President's White House staff or the team he has assembled in the Defense Department.

Mr. President, this veto was promoted not only from the White House but also from the Defense Department. It comes straight from Systems Analysis, which now includes some of the same people that former Defense Secretary McNamara assembled in the Pentagon. Most of them are back, and this veto is as ill conceived as was their successful opposition in 1962 to making the *John F. Kennedy* a nuclear carrier.

In closing, I hope the Congress will show some backbone and override this veto. It is the wrong decision, at the wrong time, for the wrong reasons.

I thank the Senator for yielding.

Mr. LEAHY. Mr. President, I ask unanimous consent that I be permitted to yield 3 minutes to the distinguished Senator from Rhode Island (Mr. CHAFEE) without losing my right to the floor.

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

FUNDING REJECTIONS

Mr. CHAFEE. I thank the Senator from Vermont very much for giving me these few minutes. I would like to comment on two unrelated subjects.

NUCLEAR CARRIER

The first is the President's veto of the nuclear powered strategic attack carrier, of which the Senator from South Carolina has spoken.

While I would have favored a conventionally-powered aircraft carrier, I applaud the President's veto with reference to the nuclear carrier. I commend the President on that decision at this time, particularly when dollars are so short, and we need to commit all our available funds to obtaining as many ships as we can. Spending the $2 billion on a nuclear-powered carrier was just not the right step to take, and I believe the President's actions are to be commended.

THE HART SENATE OFFICE BUILDING

Changing gears, Mr. President, I would like to say that I have heard that today the House of Representatives rejected the additional money for the Hart Building. I think that was a magnificant step on the part of the House. As Senators know, I do not think we should ever have embarked on that building. I think it was the wrong thing to do, particularly in the tenor of these times, that the Senate should carry forward with a building that, in our judgment, will cost $138 million, and I think undoubtedly a good deal more than that. I think the House of Representatives took the right step in eliminating the additional amount of money we put in the other day for that building, and I hope now we can stop the building in its entirety, for two reasons: First, it is not the right thing to do in these times to have such an expensive building; and secondly, I do not think we should have the building at all. The only thing that building would do is encourage the Senate to have more staff. Then we will feel cramped with that, and go on and need a fourth building, particularly if we obtain two more Senators from the District of Columbia. That alone will require two more buildings, at the rate we are going.

I thank the Senator from Vermont for yielding.

Mr. THURMOND. Mr. President, will the Senator yield so that I may respond on the point about the building?

Mr. CHAFEE. I do not have control of the time.

Mr. THURMOND. Will the Senator from Vermont yield me half a minute, to respond on this building?

Mr. LEAHY. I would really like to get to the conference report.

Mr. THURMOND. I just want to disagree with the Senator from Rhode Island on the carrier question. I am surprised that a man who has been Secretary of the Navy would take that position, but that is his right.

I commend him for his position on this new Senate office building. This new Senate office building would have a new restaurant, a new swimming pool, a new gymnasium—all things, it seems to me, that we ought to set an example for economy by doing without; and this is an unnecessary exception.

Mr. CHAFEE. I am glad I am batting 50 percent with the Senator from South Carolina today.

The PRESIDING OFFICER (Mr. METZENBAUM). The Senator from Vermont.

Mr. LEAHY. Mr. President, I was pleased to yield to the Senator from Rhode Island, particularly because he was a former Secretary of the Navy. I agree with him on the futility of creating more of these floating platforms.

I also agree with him on the matter of the Hart Building. I voted against that appropriation in the committee, and I voted against it again here on the floor. I think it is just one more way of insulating ourselves from the people we represent. There is not one Senator in his right mind, politically, who would want a palace like that for his office back in his home State, where people might see it. To have it down here where they will not, I think, is another example, Mr. President, where we are getting trapped into a situation where we spend more and more time here in Washington and less

and less with the people we represent. If that trend is ever to be reversed, we will have to stop——

Mr. MATHIAS. Mr. President, are we here to discuss the D.C. conference report?

DISTRICT OF COLUMBIA APPROPRIATIONS, 1979 — CONFERENCE REPORT

Mr. LEAHY. Mr. President, I submit a report of the committee of conference on H.R. 13468, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. METZENBAUM). The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13468) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1979, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings in the RECORD of August 16, 1978.)

Mr. LEAHY. Mr. President, I am pleased to have the opportunity to bring to the Senate the conference report on the District of Columbia Appropriations Act of 1979. It is interesting to consider the very timely process that we have just gone through in consideration of this appropriation measure. The House originally passed this Appropriation Act on July 21 and the matter was then before the Senate for our consideration. Our subcommittee action on this bill was delayed slightly because of our need to hold 1 day of additional hearings on a fiscal year 1978 supplemental request and a fiscal year 1979 amendment request. We held this additional hearing on July 19. The subcommittee then marked the appropriations bill up on August 3, and it was considered just 6 days later by the full committee on August 9. Following that, with the very excellent assistance of the majority leader, we were able to bring the bill to the Senate floor on August 14, or on Monday of this week. On Wednesday morning of this week at 9 a.m. the Senate conferees met with the House conferees to resolve the several outstanding differences between the House and Senate passed bills.

Earlier today the House passed the conference report on the District of Columbia appropriations bill and sent the matter to us for final consideration. Therefore in a period of just 11 working days of the Senate we have been able to go from subcommittee markup of this appropriations bill in the Senate to final consideration of the conference report. This indeed is prompt action and shows that the Congress can move with haste.

I would not like to be misunderstood as to be implying that this very rapid processing of an appropriation measure is always necessarily a good thing. I should also point out that this rapid action was only possible because of the 8 days of hearings that we held between February and July, and a great deal of time spent in analysis, discussion, and consultation. Many times there are measures of great controversy and it is then more desirable to proceed at a more deliberate pace. In fact, as the Members will recall, we had somewhat of a controversy on the 1978 bill for the District of Columbia, and we spent over 6 months between the date of the subcommittee action on the District of Columbia bill and the date when we were able to bring the conference report back to the Senate for final approval.

This year we have no matters of great controversy involved and in fact the full Appropriations Committee suggested only one amendment to the bill as presented to it by the subcommittee. Also, as the Members will recall no amendments were offered to this bill when it was on the floor of the Senate on Monday of this week.

The Senate conferees met with the House conferees on over 33 items in disagreement. The Senate receded to three of these items. We reached a compromise on several other items and the House deferred to the Senate on the greatest majority of the items that were before us in conference. I do not offer this accounting as a score card of wins and losses because it is the extremely fine cooperation between the House and Senate that has produced a fine product. A great deal of credit for this goes to Mr. NATCHER, the other members and his subcommittee and his excellent appropriations staff.

I bring back to the Senate a conference agreement that is substantially similar to the bill that was passed by the Senate on Monday of this week. It is a budget that is fully balanced; it is a budget that provides for all necessary city services, and it is a lean budget because that is what the people have asked for.

As the Senate will recall, the city's budget request for the District of Columbia for fiscal year 1979 totaled $1,428,442,000 with $1,298,652,000 of this total being requested for operating expenses and the balance of $129,790,000 was requested for the capital improvement program. The total amount agreed to by the conferees is $1,362,317,700 which includes $1,285,102,700 for operating expenses and $77,215,000 for the capital improvement program. Additionally, as the Members will recall $21,930,100 was provided for a 1978 supplemental. The amount agreed to by the conferees for this supplemental is $21,341,500 or a reduction of $588,600 from the amount recommended by the Senate. These particular reductions were made possible by information supplied to the conferees subsequent to our action in the Senate indicating funding for several requested activities was no longer necessary.

The amount agreed to by the Conferees for operating expenses for fiscal year 1979 is $2,463,800 less than was recommended by the Senate. This reduction is composed of several small adjustments and I will now touch briefly on some of the larger ones.

The conferees agreed to sustain the House position to deny the city's request for 20 additional positions for tax administration and the associated $254,900. It was the feeling of the conferees that the existing 277 fully funded positions for this activity was an adequate level. The Senate receded from its recommendation to increase the public library budget by $707,400 over the amount requested for the city for a computerized system to develop a book circulation and inventory system. This is a needed improvement, but it is one that can be deferred. The confereees accepted the Senate reduction to create a new parking enforcement program in the city as denied by the House but recommended by the Senate. In agreeing to this action, however, the conferees further agreed to transfer an additional 42 positions and the associated $701,000 from the superior court to the Department of Transportation where the new parking enforcement program will be operated. These positions are currently in the superior court and are currently devoted to the city's traffic enforcement program. The conferees agreed that these positions and the associated money should be transferred along with the activity.

Additionally, the Senate conferees deferred to the House conferees in their recommendation to delete $275,000 for capital improvements to the city's dog pound.

Mr. President, these are the major items that explain the difference between the budget as previously approved by the Senate and the budget agreed to by the conferees. There are several other small items which are fully explained in the Conference Report 95–1500. Therefore, I will not take the Senate's time to go over each and every one of the items agreed by the conferees.

The Federal payment recommended by the conferees is $235,000,000 which is $3 million less than the Federal payment recommended by the Senate. This small adjustment in the Federal payment is made possible by the conference committee action which also had the net effect of reducing the budget as proposed by the Senate by $3 million. The financial plan approved by the conferees is balanced on a cash basis. There will be approximately $838,000 left in the city treasury on September 30, 1979. The budget total as recommended by the conferees is $244,800,000 less than the ceiling provided in the first concurrent resolution for District of Columbia appropriations.

I ask unanimous consent that a table be printed at this point in the RECORD which explains the full details the budget totals agreed to by the conferees.

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

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY

	New budget authority					Conference compared with—			
	Enacted fiscal year 1978	Estimates fiscal year 1979	House fiscal year 1979	Senate fiscal year 1979	Conference fiscal year 1979	Fiscal year 1978 enacted	Fiscal year 1978 estimate	House bill	Senate bill
TITLE I									
TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF THE DISTRICT OF COLUMBIA									
Salaries and expenses	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				
TITLE II									
DISTRICT OF COLUMBIA									
FEDERAL FUNDS									
Federal payment	276,000,000	317,000,000	264,000,000	238,000,000	235,000,000	−41,000,000	−82,000,000	−29,000,000	−3,000,000
Payment in lieu of reimbursement for water and sewer services to Federal facilities	28,116,000	10,300,000	10,300,000	10,300,000	10,300,000	−17,816,000			
Federal payment to retire R. F. K. Stadium bonds				9,900,000	9,900,000	+9,900,000	+9,900,000	+9,900,000	
Loans to the District of Columbia for capital outlay	92,000,000	129,790,000				−92,000,000	−129,790,000		
Total, Federal funds to District of Columbia	396,116,000	457,090,000	274,300,000	258,200,000	255,200,000	−140,916,000	−201,890,000	−19,100,000	−3,000,000
DISTRICT OF COLUMBIA FUNDS									
Operating expenses									
General operating expenses	(90,862,600)	(96,326,800)	(93,718,500)	(95,133,100)	(93,765,300)	(+2,902,700)	(−2,561,500)	(+46,800)	(−1,367,800)
1978 supplemental		(3,203,200)		(2,719,400)	(2,719,400)		(−483,800)	(+2,719,400)	
Public safety	(263,771,000)	(274,412,800)	(266,473,800)	(265,961,200)	(265,190,200)	(+1,419,200)	(−9,222,600)	(−1,283,600)	(−771,000)
1978 supplemental		(1,139,700)		(889,700)	(889,700)		(−250,000)	(+889,700)	
Education	(264,679,200)	(282,898,600)	(282,201,200)	(283,605,400)	(283,605,400)	(+18,926,200	(+706,800)	(+1,404,200)	
1978 supplemental		(143,600)		(68,600)			(−143,600)		(−68,600)
Recreation	(17,551,000)	(18,677,400)	(18,392,700)	(18,392,700)	(18,392,700)	(+841,700)	(−284,700)		
1978 supplemental		(58,000)		(58,000)	(58,000)			(+58,000)	
Human resources	(183,462,300)	(294,474,800)	(284,767,700)	(283,321,300)	(283,321,300)	(−141,000)	(−11,153,500)	(−1,446,400)	
1978 supplemental		(9,353,900		(8,086,000)	(8,086,000)		(−1,267,900)	(+8,086,000)	
Transportation	(59,713,900)	(77,551,700)	(71,380,900)	(78,735,200)	(78,735,200)	(+19,021,300)	(+1,183,500)	(+7,354,300)	
1978 supplemental		(4,340,400)		(1,082,200)	(1,082,200)		(−3,258,200)	(+1,082,200)	
Environmental services	(68,191,900)	(73,309,900)	(72,962,500)	(72,119,800)	(72,069,800)	(+3,877,900)	(−1,240,100)	(−892,700)	(−50,000)
1978 supplemental		(1,669,700)		(1,550,400)	(1,030,400)		(−639,300)	(+1,030,400)	(−520,000)
Personal services	(65,549,400)	(69,300,000)	(69,300,000)	(69,300,000)	(69,300,000)	(+3,750,600)			
1978 supplemental		(7,000,000)		(7,000,000)	(7,000,000)			(+7,000,000)	
Settlement for claims and suits			(72,800)	(322,800)	(322,800)	(+322,800)	(+322,800)	(+250,000)	
1978 supplemental		(21,800)					(−21,800)		
Repayment of loans and interest	(125,668,500)	(111,700,000)	(111,700,000)	(120,400,000)	(120,400,000)	(−5,268,500)	(+8,700,000)	(+8,700,000)	
1978 supplemental		(475,800)		(175,800)	(475,800)			(+475,800)	
Total, operating expenses	(1,239,449,800)	(1,298,652,000)	(1,270,970,100)	(1,287,291,500)	(1,285,012,700)	(+45,652,900)	(−13,549,300)	(+14,132,600)	(−2,188,800)
1978 supplemental		(27,406,100)		(21,930,100)	(21,341,500)		(−6,064,600)	(+21,341,500)	(−588,600)
Capital outlay									
Capital outlay	(129,173,400)	(129,790,000)	(77,215,000)	(77,490,000)	(77,215,000)	(−51,958,400)	(−52,575,000)		(−275,000)
Total, District of Columbia funds	(1,368,623,200)	(1,428,442,000)	(1,348,185,100)	(1,364,781,500)	(1,362,317,700)	(−6,305,500)	(−66,124,300)	(+14,132,600)	(−2,463,800)
1978 supplemental		(27,406,100)		(21,930,100)	(21,341,500)		(−6,064,600)	(+21,341,500)	(−588,600)
RECAPITULATION									
Grand total, new budget (obligational) authority	399,116,000	460,090,000	277,300,000	261,200,000	258,200,000	−140,916,000	−201,890,000	−19,100,000	−3,000,000
Consisting of—									
Temporary Commission on Financial Oversight of the District of Columbia	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				
District of Columbia:									
Federal funds to the District of Columbia	396,116,000	457,090,000	274,300,000	258,200,000	255,200,000	−140,916,000	−201,890,000	−19,100,000	−3,000,000
District of Columbia funds	(1,368,623,200)	(1,428,442,000)	(1,348,185,100)	(1,364,781,500)	(1,362,317,700)	(−6,305,500)	−66,124,300)	(+14,132,600)	(−2,463,800)
1978 supplemental		(27,406,100)		(21,930,100)	(21,341,500)		−6,064,600)	(+21,341,500)	(−588,600)

Mr. LEAHY. Mr. President, there is one final matter I would like to touch on and that is the several reforms recommended by the Senate and agreed to by the conferees with regard to the operation of the CETA program in the city. I am sure the Members are well aware of the greatly publicized abuses that have occurred in the CETA program here in the District of Columbia. Previously the U.S. Department of Labor investigation into this matter focused on the District of Columbia City Council and there was no firm evidence that the abuses went beyond the City Council. Earlier this week I am sure many Members have followed the front page news accounts in one of our local newspapers regarding the fact that the city's abuses to the CETA program are not just isolated to the City Council, but are widespread through the entire city government.

Mr. President, I am pleased the Senate accepted our recommendations that will help reform this program and I am also pleased that the conferees agreed to the Senate's position on this matter. These are reforms that are long overdue; these are reforms that will require the city to operate the program in a manner more consistent with current law and these are reforms that the local citizens and taxpayers are asking for.

Mr. President, there is one final point that I would make and that is the fact that this is the first District of Columbia Appropriations bill, assuming for the moment that the Senate will approve this conference report, since passage of the Budget Reform Act of 1974 that has met the mandated timetable included in that Reform Act. I am pleased that we were able to meet the timetable this year. Our timely action in the Congress almost certainly assures that the city will have a budget bill for fiscal year 1979 signed into law by the President before the beginning of the fiscal year. We look forward next year to meeting the required timetable that is set out by the Budget Reform Act of 1974 and our prospects for doing this are good. Our prospects appear good because the appropriations bill for fiscal year 1979 includes a mandated due date for the transmittal of the budget to the Congress by February 1. This will help insure that we receive the budget request in a timely manner and therefore it greatly increases our chances of providing the city with a final budget prior to the beginning of the fiscal year for which it would apply.

Mr. President, before I yield to the distinguished ranking minority member of our subcommitee, I understand there has been a request from the other side of the aisle that there be a rollcall vote on this matter. Therefore, Mr. President, I ask for the yeas and nays on the adoption of the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. I yield to the distinguished Senator from Maryland (Mr. MATHIAS).

Mr. MATHIAS. Mr. President, my views on this subject have been expressed at length in previous debates in the appropriations process. I think I will rest on the record.

I thank the Senator from Vermont for asking for the yeas and nays. I might simply say, to put the Senate on notice, that it is the policy and the agreement on the minority side at this time that where appropriations bills or appropriations conference reports are to be voted on in the Senate, a request for the yeas and nays will be made.

I thank the Senator for yielding.

Mr. LEAHY. Mr. President, I thank the distinguished ranking member of the committee for his help, and also Bob Clark of his staff, Mike Hall, who was tireless in his help, and Veneda Cane, who is unbelievable in getting material out for us.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

REPRESENTATION OF THE DISTRICT OF COLUMBIA IN CONGRESS

The Senate continued with the consideration of the joint resolution.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, waiving paragraph 3 of rule XII, a vote occur up or down on the D.C. representation amendment on Tuesday at 6 o'clock p.m.; provided further, that Mr. McCLURE have 20 minutes on each of seven amendments which he will offer, and Mr. KENNEDY will have 10 minutes on each of those seven amendments under his control; that Mr. SCOTT have under his control 6½ hours, and that Mr. KENNEDY have under his control 2 hours; provided further, that the cloture vote on tomorrow be vitiated; ordered further that the leadership be authorized to call up the Federal aid to highway bill tomorrow; that there be no session Saturday; that the leadership be authorized to resume consideration of the Federal aid to highway bill on Monday and Tuesday, if necessary, at such times as those Senators managing the D.C. representation bill are not utilizing the floor on behalf of that measure; provided further, that the agreement have no provision concerning germaneness.

Mr. TOWER. Reserving the right to object, would the Senator withhold the highway portion of the request for the moment?

Mr. ROBERT C. BYRD. I will withdraw that part of the agreement, Mr. President, related to the Federal aid to highway bill.

The PRESIDING OFFICER. Is there objection?

Mr. SCOTT. Mr. President, reserving the right to object, it is my understanding from private conversations with the distinguished majority leader that part of this time will be allocated on Monday and part of it would be allocated on Tuesday that will be under the control of Senator McCLURE and Senator KENNEDY and myself. Could we have some sort of an agreement as to the portion that we would be able to use on Monday and the portion that we would be able to use on Tuesday? What I am getting at is that if we have 6½ hours under my control and 3½ hours under the control of Mr. McCLURE on the McClure amendment, and it may be that the distinguished Senator from Massachusetts might want time to respond to the 6½ hours that I have, we are getting into quite a few hours. If we could somehow indicate that of the 6½ hours under my control, 2½ hours would be on Monday and 4 would be on Tuesday, that would accommodate me. I am not going to utilize them but I am thinking of other people who are of the same position that I take on this joint resolution. They could utilize it and I could allocate the time to them. Would 2½ hours on Monday and 4 hours on Tuesday be agreeable?

Mr. ROBERT C. BYRD. That would be agreeable, or we can make it half and half each day, whichever way the Senator prefers.

Mr. STAFFORD. Will the distinguished Senator yield for a minute?

Mr. ROBERT C. BYRD. Yes.

Mr. STAFFORD. Did I understand the majority leader withdrew his request as to Federal aid to highways?

Mr. ROBERT C. BYRD. Just as of now. I did not want to make that part of this request.

Mr. STAFFORD. I simply wanted to point out to the distinguished majority leader that the manager will be out of town until about 1 o'clock on Monday and so will the Senator from Vermont, who is the ranking minority member of the committee. Other than that, we wish to accommodate the majority leader.

Mr. ROBERT C. BYRD. I appreciate that information, but that is not a part of the request at this time.

Mr. SCOTT. Mr. President, further reserving the right to object, it is my understanding from talking with the distinguished Senator from Idaho (Mr. McCLURE) that he has no preference whether it is Monday or Tuesday but he would want to utilize part of the time on both dates without specific amount assigned to him. Is that agreeable to the Senator from Massachusetts?

Mr. KENNEDY. If the Senator will yield, I would hope that at least by tomorrow we could have all the amendments in the RECORD and printed so that we could begin to prepare and all Members would be on notice. But that is just a preference. I am satisfied as the leader designated the time and we will be prepared to debate Monday and Tuesday at whatever time is agreeable.

Mr. SCOTT. Further reserving the right to object, Mr. President, and I am not going to object, as I understand now we will have a final vote on the measure now before us, as amended, if it should be amended, at 6:30 p.m. on Tuesday next?

Mr. ROBERT C. BYRD. At 6 o'clock.

Mr. SCOTT. Six p.m. on Tuesday next.

Mr. TOWER. Provided that any amendments that are pending at that time could be voted upon?

Mr. SCOTT. Mr. President, I am not sure the distinguished majority leader heard the Senator from Texas. Provided that any amendments pending at the desk could be voted upon even if it went beyond the hour of 6 p.m.?

Mr. ROBERT C. BYRD. Any amendment that is called up and that is pending, not any amendment at the desk.

Mr. TOWER. Any amendment that is called up is what I meant.

Mr. ROBERT C. BYRD. Any amendment that is called up and is then pending at 6 o'clock, yes.

Mr. SCOTT. Mr. President, I have no objection.

Mr. ROBERT C. BYRD. Let us hold on just a minute. It is conceivable that an amendment could have been called up and been pending at the hour of 6 o'clock on which there is no time limitation. On one of the amendments by Mr. McCLURE there would be a time limit so we know it would not go beyond that.

Mr. TOWER. It would have to be voted on by 6, regardless of whether there was a time limitation or not.

Mr. ROBERT C. BYRD. Perhaps I did not understand the Senator.

Mr. TOWER. If there were an amendment called up at 2 minutes to 6, it could be voted on at 6, regardless of whether there was a time limitation.

Mr. ROBERT C. BYRD. Oh, yes. I understand.

Mr. SCOTT. I withdraw my reservation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, and I believe this reflects the understanding which was agreed to in the D.C. representation matter, that the time on amendments other than the amendments by Mr. McCLURE come out of the time allotted to the control of Mr. SCOTT and Mr. KENNEDY.

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

The agreement, as modified, is as follows:

Ordered, that during the further consideration of H.J. Res. 554, a joint resolution proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress, debate on any of seven amendments to be offered by the Senator from Idaho (Mr. McClure) shall be limited to thirty minutes each to be divided twenty minutes for the Senator from Idaho

and ten minutes for the Senator from Massachusetts (Mr. Kennedy); and debate on any other amendment shall be limited to the time granted to the proposer of the amendment or to other Senators wishing to speak on the amendment from the time allocated to the said joint resolution.

Ordered further, That on the question of final passage of the joint resolution debate shall be limited to 8½ hours to be divided two hours to the Senator from Massachusetts (Mr. Kennedy) and 6½ hours, 2½ hours to be utilized on Monday, August 21 and 4 hours to be utilized on Tuesday, August 22 by the Senator from Virginia (Mr. Scott).

Ordered further, That the vote on final passage of the joint resolution occur at 6 p.m. on Tuesday, August 22, 1978.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1979—CONFERENCE REPORT

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

The PRESIDING OFFICER. The pending business is the conference report on the D.C. appropriations.

The Senate resumed consideration of the conference report.

Mr. LEAHY. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, the yeas and nays have been ordered on this. We still have a lot of Members around. I am perfectly willing to yield back all my time on it if the ranking member has no objection.

Mr. MATHIAS. I recommend that.

The PRESIDING OFFICER. If there is no time limit, the question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Kansas (Mr. DOLE), the Senator from Oregon (Mr. HATFIELD), the Senator from Kansas (Mr. PEARSON), the Senator from Illinois (Mr. PERCY), the Senator from Alaska (Mr. STEVENS), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 76, nays 8, a follows:

[Rollcall Vote No. 330, Leg.]

YEAS—76

Allen	Burdick	Chafee
Bartlett	Byrd,	Chiles
Bayh	Harry F., Jr.	Church
Bellmon	Byrd, Robert C.	Clark
Bentsen	Cannon	Cranston
Bumpers	Case	Culver
Danforth	Huddleston	Pell
DeConcini	Humphrey	Proxmire
Domenici	Jackson	Randolph
Durkin	Javits	Ribicoff
Eagleton	Kennedy	Riegle
Ford	Leahy	Sarbanes
Glenn	Long	Sasser
Goldwater	Lugar	Schmitt
Gravel	Magnuson	Schweiker
Griffin	Mathias	Scott
Hansen	Matsunaga	Sparkman
Hart	McClure	Stafford
Haskell	McGovern	Stennis
Hatfield, Paul G.	Melcher	Stevenson
Hathaway	Metzenbaum	Stone
Hayakawa	Moynihan	Talmadge
Heinz	Muskie	Thurmond
Hodges	Nelson	Tower
Hollings	Nunn	Wallop
	Packwood	Williams

NAYS—8

Curtis	Helms	Roth
Garn	Laxalt	Zorinsky
Hatch	Morgan	

NOT VOTING—16

Abourezk	Eastland	Pearson
Anderson	Hatfield, Mark O.	Percy
Baker	Inouye	Stevens
Biden	Johnston	Weicker
Brooke	McIntyre	Young
Dole		

So the conference report was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The clerk will state the first amendment in disagreement.

Mr. LEAHY. Mr. President, I ask unanimous consent the Senate consider en bloc the amendments of the House to the amendments of the Senate numbered 1, 5, 19, 20, and 33.

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

The amendments in disagreement will be stated.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $235,000,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $265,190,200

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 19 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $72,069,800

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 20 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $1,030,400

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 33 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SEC. 224. Notwithstanding any other provision of this Act, the provisions of sections 220, 221, 222, and 223 of this Act shall be deemed repealed upon the date of the enactment of the Act entitled "An Act to amend the Comprehensive Employment and Training Act of 1973, to provide improved employment and training services, to extend the authorization, and for other purposes", or similar legislation.

Mr. LEAHY. Mr. President, I move that the Senate concur en bloc in the amendments of the House to the amendments of the Senate numbered 1, 5, 19, 20, and 33.

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

The motion was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I take the floor just momentarily to ascertain what the outlook is for the remainder of the day.

I understand that Mr. HART is ready to call up his conference report on the military construction appropriation bill. I inquire as to whether or not anyone expects to ask for a rollcall vote on that conference report.

Mr. TOWER. Yes, there will be a vote.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays at this time on the conference report on the military construction appropriation bill.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is this the authorization or the appropriation?

Mr. ROBERT C. BYRD. The authorization.

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

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, could we get some indication as to how much time will be required on this conference report?

Mr. HART. Mr. President, my feeling is that we can dispose of the matter in 10 minutes.

Mr. ROBERT C. BYRD. Does anybody object to a time limitation on the conference report? Senator THURMOND is the ranking member on the minority side.

Mr. President, I ask unanimous consent that time overall on the conference report on the military construction bill be limited to 20 minutes, equally divided between Mr. THURMOND and Mr. HART.

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

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

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. Mr. President, I think we could vitiate the order for the yeas and nays on the authorization conference report. There was a misunderstanding. It was thought on this side of the aisle that it was an appropriation. Therefore, if they do not want to have the yeas and nays, we can vitiate the order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the yeas and nays on the military

construction authorization bill be vitiated. The yeas and nays were requested under the mistaken impression, because of my statement, that it was the appropriation bill.

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

MILITARY CONSTRUCTION AUTHORIZATIONS, 1979—CONFERENCE REPORT

Mr. HART. Mr. President, I submit a report of the committee of conference on H.R. 12602 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12602) to authorize certain construction at military installations for fiscal year 1979, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of August 7, 1978.)

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

Mr. HART. I yield to the Senator from Idaho for a unanimous-consent request.

Mr. CHURCH. Mr. President, I ask unanimous consent that Mr. Dave Litsker, of my staff, be accorded the privilege of the floor.

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

Mr. HART. Mr. President, the matter before the Senate is the conference report on H.R. 12602, the fiscal year 1979 military construction authorization bill.

The Department of Defense requested new authorization for military construction for fiscal year 1979 in the amount of $4,247,809,000. This request provided for the construction of new facilities for the Active and Reserve Military Forces and for the operation and maintenance of the military's inventory of family housing.

As passed by the House, H.R. 12602 provided $4,169,444,000 in new authorization. The bill as amended by the Senate provided $3,998,432,000 in new authorization. The conference committee agreed to new authority in the amount of $4,128,312,000 which is nearly $120,000,000 less than the administration request.

The bill as finally agreed to adequately accommodates the highest priority construction needs of the military services. I invite my colleagues' attention to the printed conference report for details which I do not intend to get into unless there are questions.

Mr. President, the pending conference report authorizes new authority for military construction in the amount of $4,247,809,000, which is nearly $120 million less than the administration requested.

Mr. President, this pending measure provides for the construction of new facilities for the Active and the Reserve Military Forces and for the operation and maintenance of the military family housing. This is and has traditionally been a noncontroversial bill, in spite of the fact that in recent years the amount of that legislation has, as I have indicated, exceeded some $4 billion. But there is contained in this year's bill one innovative measure which I wish to call to the attention of my colleagues, and that measure is section 804 as contained in the pending conference report which requires the incorporation of solar energy systems in all new military family housing and in at least 25 percent of all other new military facilities that are put under design.

Mr. President, because of the companion sections of the bill, there is every reason to expect that the majority of the 1,500 units of new family housing authorized by this bill will be equipped with solar systems.

Also, Mr. President, I understand the appropriations will be made this year for the planning and design of military projects that will be authorized for construction in future years. This appropriation will total about $200 million and this new solar provision contained in this conference report requires that 25 percent of all new facilities that are put under design include solar systems as an option.

Mr. President, this means that about $50 million in design and planning funds will be spent next year 90 days after the President signs this bill and each year thereafter design projects with solar systems.

There are two points that I do want to emphasize:

SOLAR ENERGY

There is a provision in this bill that I consider to be a major breakthrough in addressing the energy crisis. I refer to section 804 which requires the incorporation of solar energy systems in all new military family housing and in at least 25 percent of all other new military facilities that are put under design. These solar systems must be shown to be cost effective before they are built.

Until now widespread use of solar energy systems has been stymied due to cost—in a classic "chicken and egg" case, nobody buys solar systems because they are too expensive, and solar systems are too expensive because nobody buys them. I think that with this provision we have broken that "loop" that was getting us nowhere.

Mr. President, let me explain the impact that this provision will have on the construction industry in general and the solar industry in particular.

There will be two immediate impacts—impacts that will occur in the fiscal year starting October 1, 1978. First, any new military family housing that goes under contract must consider solar energy systems. Section 603(g) of the bill before us gives the Secretary of Defense the authority to increase costs and other constraints specified in the bill as necessary to accommodate solar systems, so there is every reason to expect that the majority of the 1,500 units of new family housing authorized by this bill will be equipped with solar systems. Second, understanding authorization, appropriations will be made this year for the planning and design of military projects that will be authorized for construction in future years. That appropriation will total about $200 million and this new solar provision requires that 25 percent of all new facilities that are put under design include solar systems as an option. This means that about $50 million in design and planning funds will be spent next year, starting 90 days after the President signs this bill, and each year thereafter to design projects with solar systems. The architect-engineer firms around the country are going to have to develop a capability to design, cost and analyze solar energy systems—this "force-feeding" of solar system's design on the architect-engineer profession will, in my judgment, accelerate the acceptance and common application of solar systems by several years.

Over the long term—that is to say, in the next 3 to 5 years—I expect two other significant impacts from this new solar provision. First, section 804 creates a Federal market for solar systems. Today the solar industry is about a $150 million per year business. Assuming that the military capital investment program will remain at about $3 billion per year and that 25 percent of that program incorporates solar systems in the future as this provision requires, that would mean that $750 million per year would be spent on facilities with solar systems, $750 million in facilities would probably increase the solar market by about $100 million each year. Creating this market will lower prices, encourage innovation and mass production, and further accelerate solar application. The second impact of this provision has to do with the public perception and acceptance of solar energy systems. Section 804 will result in solar systems being built at military bases all across the United States. People around the country will see the Federal Government installing solar systems, and widespread public acceptance, in my judgment, will be fostered.

Mr. President, in my judgment, this is a very important breakthrough on the part of the Federal Government and could amount in fact to be the most important item of energy-related legislation that this Congress produces this year if action on the pending energy legislation is not accepted.

Therefore, Mr. President, I think it is extremely important in adopting this conference report the Senate be on notice and aware of the remarkable impact that this provision promises to have.

The genesis of this solar provision provides an interesting case study in how really difficult it is to cope with our Federal bureaucracy. The concepts behind the provision enumerated above are fairly simple, and in discussing the idea with my colleagues and staff there was general agreement that the idea had merit. So we reviewed the concept with

officials of the Department of Defense during hearings last spring. The Defense Department took a position opposed to such an approach for various reasons—"not cost effective," "technology was not here," "something the Federal Government should not get involved in," et cetera. Despite this opposition from the administration, the provision was adopted by our subcommittee and it survived the legislative process without any opposition—to the contrary, when the provision was explained to the Members of both Houses, they quickly endorsed the idea. Shortly after the conference committee on this bill had agreed to include this solar provision in the final bill, I received a call from the Secretary of the Department of Energy, who was delighted with this provision and heartily applauded its inclusion in this bill. It may be the only significant piece of energy legislation that the Congress enacts this year.

I cite the specifics of this case study, not to point a finger at anyone, but because I know that there will be the same bureaucratic resistance to implementing section 804 that there was in enacting the provision. I am sure that during hearings next year I will be given all sorts of reasons why solar systems are not "cost effective," et cetera. But the Department of Defense should know now that we intend to pursue the implementation of this provision with all of the oversight authority available to the Congress. The potential in this provision for helping to solve the energy crisis must not be stifled by the bureaucracy. I sincerely hope that the Department of Defense working in close coordination and harmony with the Department of Energy can use this provision to help cut years off the time that it might take otherwise to see the fruits of solar energy pay off.

NATO CONSTRUCTION

The Senate, in its bill, reduced the administration's $650 million request for construction in NATO by $375 million under the rationale that projects in support of the NATO operational mission should be funded by the commonly financed NATO infrastructure program, and the infrastructure program request of $90 million was increased to $150 million to demonstrate support for the Senate rationale. In conference, the House agreed with the Senate rationale, provided that a few of the highest priority projects would be added back this year to permit an orderly transition to the new criteria. This bill, then, contains a reduction in NATO construction of over $230 million from the administration's request and more importantly the conference report language requires that future construction projects in support of the NATO operational mission be funded directly through the NATO infrastructure program. Over the long term this approach will save the American taxpayer many hundreds of millions of dollars.

Mr. President, I yield back the remainder of my time unless others wish to comment.

The PRESIDING OFFICER. Is there any further debate?

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

Mr. HART. Mr. President, I yield to the Senator from South Carolina.

Mr. THURMOND. I thank the Senator from Colorado.

Mr. President, I rise in support of the fiscal year 1979 Military Construction Authorization bill conference report, H.R. 12602.

This bill authorizes construction in the amount of $4.1 billion, about $120 million below the administration request and well within budget guidelines.

Mr. President, the conference was generally receptive to the Senate position to hold back on funding NATO projects until the NATO infrastructure participation is more in line with needed contributions with our allies in Europe.

The Senate cut the administration request of $650 million by $375 million on the basis that more NATO participation was needed. The conference agreed upon a reduction of $230 million, a compromise which in my judgment gives strong support to the Senate position.

Another feature of the conference report worthy of note is the emphasis of this bill on solar energy. Our subcommittee chairman, the junior Senator from Colorado, Mr. HART, has given this approach much attention. As a strong advocate of research and application in the solar energy field, I feel the authorizations in this bill will provide a big push in the solar energy field.

As Chairman HART has noted, section 804 of this bill requires incorporation of solar energy systems in all new family housing and 25 percent of other new military facilities that are designed for future construction. This means our bill will be spearheading application of solar energy in future construction required to support our defense establishment.

Mr. President, I too commend Senator HART, our entire committee and the conference for taking this lead in solar energy. The strong defense solar energy program should help bring such costs more in reach of the average citizen.

Mr. President, I urge the Senate to give approval to this conference report.

Mr. HART. Mr. President, I thank the Senator from South Carolina for his statement and for his splendid cooperation in the adoption of this measure.

I am prepared to yield back my time and move the adoption of the conference report.

The PRESIDING OFFICER (Mr. WILLIAMS). Does the Senator yield back his time?

Mr. THURMOND. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMMORAL GAS COMPROMISE

Mr. METZENBAUM. Mr. President, in an article that appeared in the August 17, 1978, edition of the Washington Post, Kathleen F. O'Reilly, executive director of the Consumer Federation of America, made a powerful case against what she described as "the decidedly immoral and devastatingly anticonsumer effects of the natural gas compromise." According to Ms. O'Reilly, passage of this legislation will cause the average cost of gas to the consumer to rise by 1985 to a level 16 times higher than what it was in 1970. All Americans will suffer. Ms. O'Reilly wrote, but the poor and the elderly may soon have to choose between heat and food.

Mr. President, I believe that Ms. O'Reilly has done an excellent job in spelling out the implications of this disastrous legislation for the American people. I ask unanimous consent that her article, entitled "'Immoral' Gas Compromise" be printed in the RECORD.

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

"IMMORAL" GAS COMPROMISE

In April 1977 President Carter urged the American public to embark with him on the "moral equivalent of war" against the energy crisis. It is clear now that war must be declared against the Carter energy package.

The administration and the Washington Post editorial "Illusions About the Gas Game" (Aug. 13) ignore the decidedly immoral and devastatingly anticonsumer effects of the natural-gas compromise. It will unnecessarily cost consumers tens of billions of dollars. By 1985 the average cost of gas would be at least 353 percent of what it was last year, 618 percent of what it was in 1975 and 1608 percent of what it was in 1970.

Higher prices have been euphemistically justified by their proponents as incentives for production and conservation. Experience since 1970 demonstrates that even 100 percent price increases have failed to yield increased production. For billions of dollars more, we get less.

The Post's editorial considers failure of the compromise as a "failure of government" and a signal to the world that Americans do not care about a comprehensive energy policy. On the contrary, passage of this legislation would signal to the world that we are willing to sacrifice our most vulnerable citizens to appease the gas lobby.

Low-income consumers (and particularly senior citizens) would be the first casualties. The lowest 10 percent on the economic ladder spends a 10 times greater proportion of its income on home energy consumption than does the top 10 percent.

That is in part due to the condition of the housing they occupy. For example, insulation already exists in 94 percent of high- and moderate-income households but in less than half of the nation's poor households. Sixty percent of low-income households have no storm windows or insulating glass.

Declining block utility rate structures that charge low-volume users at a higher unit rate than high-volume users is also responsible for the disproportionate burden of natural gas price increases.

Any suggestion that residential users of natural gas (including 60 percent of all low-income households) can convert to other sources is brutally naive. Economically and practically speaking, conversion is not a viable option.

Undoubtedly consumers will be submerged with Madison Avenue slogans urging them to

turn down their thermostats. For the 92 percent of the wealthy and upper-middle-class households that have heat control, that is an option. But what about the nearly 40 percent of low-income households who live in apartments that have no individual thermostats?

Low-income consumers will also be urged to equip their dwellings with better insulation, storm doors and storm windows, but will not have access to credit markets that would enable them to acquire the most efficient combination of weatherproofing, retrofit and insulation.

Low-income homeowners, community groups and government officials agree that rising utility prices and the condition of the housing stock have greatly contributed to the increased rate of mortgage defaults. Many low-income homeowners reported that their homes were like sieves, requiring a high temperature setting just to maintain bearable warmth. Inefficient boilers, damaged roofs and lack of storm windows or storm doors also played a major role in keeping utility bills at unaffordable levels.

The emoticnal price to senior citizens and low-income consumers is particularly high. In November 1977, a University of Michigan study predicted that last winter one out of five senior citizens would have to face the hard choice of paying his utility bills or eating. Those people are victims of utility shutoffs, gcing for months without heat and becoming ill as a result—and in some cases freezing to death. Some families have been sleeping in their cars in the middle of winter because they were a few dollars short on the gas bill and were shut off.

Rising energy prices, which would be the product of the Carter package, would have other consequences:

Higher unemployment as increased spending on energy reduces aggregate demand for other goods and services.

Higher numbers of senior citizens forced to enter nursing homes or become wards of the state because they are no longer able to make ends meet on their meager fixed incomes (as a recent Michigan study confirms).

Increased health-care costs from poorer diets and colder living conditions.

Increased inflation in *all* production sectors (not just energy) because virtually all production, including agriculture, is energy intensive.

An even less equal distribution of wealth as the return on capital increases at a faster rate than the return on labor, and as property ownership among low- and middle-income consumers becomes less viable.

Increased political power for the already extremely powerful major oil and gas firms. Despite incomes they consider too meager for energy production, they have spent hundreds of millions of dollars advancing their positions on issues ranging from environmental policy to lower corporate tax rates. Further, the major oil companies will continue to use their enormous cash surpluses to purchase major non-energy firms such as Mobil's purchase of Montgomery Ward.

Worsening of the balance of trade. The price increases in domestically manufactured commodities would make them less attractive to the rest of the world and thus reduce exports.

Deregulation will only exacerbate these critical human problems, problems so callously ignored by the supporters of the compromise, who speak so confidently about foreign dependency and greater incentives for an industry that is already reaping unprecedented profits, Those who stand to lose the most are those least able to combat the industry lobbyists and champions. The president's current answer to the nation's "moral equivalent of war" is wracked with an immorality that is intolerable.

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 with statements of Senators limited therein to 10 minutes each and not to extend beyond 30 minutes.

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.

REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT—PM 210

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with section 5347(e) of title 5 of the United States Code, I hereby transmit to you the 1977 Annual Report of the Federal Prevailing Rate Advisory Committee.

JIMMY CARTER.

THE WHITE HOUSE, *August 17, 1978.*

REPORT OF THE RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT—PM 211

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I hereby transmit the annual report of the Railroad Retirement Board which summarizes its fiscal year 1977 operations under both the Railroad Retirement and Railroad Unemployment Insurance Acts.

Benefit payments under these Acts totaled almost $4 billion. Of this amount, $3.8 billion went to 1,100,000 retirement and survivor annuitants and $180 million was paid to 160,000 unemployment and sickness beneficiaries.

During the past year, I appointed a new Chairman and two Board members. To represent the public interest and advise the Congress of the Administration's position, I appointed as Chairman, William P. Adams, former Transportation Counsel for the House Committee on Interstate and Foreign Commerce. I appointed one Board member who was nominated by railroad management—Earl Oliver, a former official of the Illinois Central Gulf Railroad and the National Railway Labor Conference—and another Board member who was nominated by railroad labor—Charles J. Chamberlain, former President of the Brotherhood of Railroad Signalmen and Chairman of the Railway Labor Executives' Association. Each of these appointees is extremely well qualified and can be expected to set a high level of public service.

JIMMY CARTER.

THE WHITE HOUSE, *August 17, 1978.*

MESSAGES FROM THE HOUSE

At 9:33 a.m, a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills in which it asks the concurrence of the Senate:

H.R. 1400. An act for the relief of Stefan Kowalik;

H.R. 1402. An act for the relief of Rosario A. Calvin;

H.R. 1798. An act for the relief of Kwong Lam Yuen;

H.R. 1931. An act for the relief of Juana Todd Atherley;

H.R. 2939. An act for the relief of Derrick Mariano Tan;

H.R. 3613. An act for the relief of Irma Victoria Bolarte Alvarado;

H.R. 4530. An act for the relief of Elisabetta Basso Gallizio;

H.R. 5163. An act for the relief of Marinelle Khristy Cruz;

H.R. 6664. An act for the relief of Lily Lirio Galindo;

H.R. 7387. An act for the relief of Noel Abueg Emde;

H.R. 7419. An act for the relief of Vasilios Georgios Valcanos;

H.R. 7550. An act for the relief of Johanne Lapointe;

H.R. 7604. An act for the relief of Margaret Somerville Jefferis;

H.R. 7849. An act to provide for the conveyance of certain public lands in Montana to the occupants of the land;

H.R. 8751. An act for the relief of Francesco Giuttari;

H.R. 8927. An act for the relief of Monika Grantz;

H.R. 9352. An act for the relief of James William Dibben;

H.R. 9610. An act for the relief of Raymond Vishnu Clemons;

H.R. 9611. An act for the relief of Craig Day;

H.R. 9613. An act for the relief of Eustace John D'Souza;

H.R. 10029. An act to direct the Secretary of the Interior to convey certain lands in Clear Creek County, Colorado, to Harold and Doris Harlan;

H.R. 10407. An Act for the relief of Ling-Yung Kung;

H.R. 12772. An Act to facilitate the exchange of certain lands in the State of Oregon, and for other purposes; and

H.R. 13268. An Act to authorize the appointment of Colonel Lloyd Leslie Burke, United States Army, retired, to the grade of brigadier general on the Retired List of the United States Army.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 405. An Act for the relief of Chong Cha Williams;

S. 1335. An Act for the relief of Shin Myong Yo Purdom, also known as Myong Yo Sin; and

H.R. 11579. An Act to designate the Veterans' Administration center located at 1901 South First Street, Temple, Texas, as the "Olin E. Teague Veterans' Center", and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. CLARK).

At 1:09 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has passed the following bill, without amendment:

S. 2543. An Act to amend title 39 of the United States Code to provide better enforcement procedures for preventing fraudulent solicitations through the mails.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1633) to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 12602, an act to authorize certain construction at military installations for fiscal year 1979, and for other purposes.

At 2:40 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to H.R. 10899, an act to provide for Federal regulation of participation by foreign banks in domestic financial markets.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 12935, an act making appropriations for the legislative branch for the fiscal year ending September 30, 1979, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 1 through 39, inclusive, 45, 46, 47, and 52 to the bill, and concurs therein.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 13467, an act making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 9, 15, 32 through 43, inclusive, 44, 47, 49, 52, 53, 58, 64, 70, 79, and 83 to the bill, and concurs therein; that the House recedes from its disagreement to the amendment of the Senate numbered 18 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 29 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 51 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 62 to the bill, and concurs therein with an amendment; and that the House insists on its disagreement to the amendments of the Senate numbered 48 and 82 to the bill.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 683. A concurrent resolution revising the congressional budget for the United States Government for the fiscal year 1979.

At 4:01 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 9) to establish a policy for the management of oil and natural gas in the Outer Continental Shelf; to protect the marine and coastal environment; to amend the Outer Continental Shelf Lands Act; and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 12927, an act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1979, and for other purposes; that the House recedes from its disagreement to the amendment of the Senate numbered 21 to the bill and concurs therein; that the House recedes from its disagreement to the amendment of the Senate numbered 3 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 5 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 7 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 8 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 9 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 15 to the bill, and concurs therein with an amendment; that the House recedes from its disagreement to the amendment of the Senate numbered 17 to the bill, and concurs therein with an amendment; and that the House recedes from its disagreement to the amendment of the Senate numbered 20 to the bill, and concurs therein with an amendment.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 13468, an act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1979, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 2, 4, 6, 11, 13, 18, 21, 25, 29, 30, 31, and 32 to the bill, and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 1, 5, 19, 20, and 33, and concurs therein each with an amendment.

At 5:55 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House agrees to the amendment of the Senate to H.R. 12106, an act to amend the Independent Safety Board Act of 1974 to authorize additional appropriations.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to H.R. 12240, an act to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the U.S. Government, the intelligence community staff, the Central Intelligence Agency retirement and disability system, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 8771. An act to amend title 5, United States Code, to authorize the Civil Service Commission to comply with the terms of a court decree, order, or property settlement in connection with the divorce, annulment, or legal separation of a Federal employee who is under the civil service retirement system, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. CLARK).

The message also announced that the House agrees to the amendments of the Senate to House Concurrent Resolution 696, providing for an adjournment of the House from August 17 to September 6, 1978.

HOUSE BILLS AND CONCURRENT RESOLUTION REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 1400. An act for the relief of Stefan Kowalik; to the Committee on the Judiciary.

H.R. 1402. An act for the relief of Rosario A. Calvin; to the Committee on the Judiciary.

H.R. 1798. An act for the relief of Kwong Lam Yuen; to the Committee on the Judiciary.

H.R. 1931. An act for the relief of Juana Todd Atherley; to the Committee on the Judiciary.

H.R. 2939. An act for the relief of Derrick Mariano Tan; to the Committee on the Judiciary.

H.R. 3613. An act for the relief of Irma Victoria Bolarte Alvarado; to the Committee on the Judiciary.

H.R. 4530. An act for the relief of Elisabetta Basso Gallizio; to the Committee on the Judiciary.

H.R. 5163. An act for the relief of Marinelle Khristy Cruz; to the Committee on the Judiciary.

H.R. 6664. An act for the relief of Lily Lirio Galindo; to the Committee on the Judiciary.

H.R. 7387. An act for the relief of Noel Abueg Emde; to the Committee on the Judiciary.

H.R. 7419. An act for the relief of Vasilios

Georgios Valcanos; to the Committee on the Judiciary.

H.R. 7550. An act for the relief of Johanne Lapointe; to the Committee on the Judiciary.

H.R. 7604. An act for the relief of Margaret Sommerville Jefferis; to the Committee on the Judiciary.

H.R. 7849. An act to provide for the conveyance of certain public lands in Montana to the occupants of the land; to the Committee on Energy and Natural Resources.

H.R. 8751. An act for the relief of Francesco Giuttari; to the Committee on the Judiciary.

H.R. 8927. An act for the relief of Monika Grantz; to the Committee on the Judiciary.

H.R. 9352. An act for the relief of James William Dibben; to the Committee on the Judiciary.

H.R. 9610. An act for the relief of Raymond Vishnu Clemons; to the Committee on the Judiciary.

H.R. 9611. An act for the relief of Craig Day; to the Committee on the Judiciary.

H.R. 9613. An act for the relief of Eustace John D'Souza; to the Committee on the Judiciary.

H.R. 10029. An act to direct the Secretary of the Interior to convey certain lands in Clear Creek County, Colo., to Harold and Doris Harlan; to the Committee on Energy and Natural Resources.

H.R. 10407. An act for the relief of Ling-Yung Kung; to the Committee on the Judiciary.

H.R. 13268. An act to authorize the appointment of Col. Lloyd Leslie Burke, U.S. Army, retired, to the grade of brigadier general on the retired list of the U.S. Army; to the Committee on Armed Services.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 683. A concurrent resolution revising the congressional budget for the U.S. Government for the fiscal year 1979; to the Committee on the Budget.

HOUSE BILL HELD AT DESK

The following bill was read by title and held at the desk, pursuant to the order of August 16, 1978:

H.R. 12772. An act to facilitate the exchange of certain lands in the State of Oregon, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 17, 1978, he presented to the President of the United States the following enrolled bills:

S. 405. An act for the relief of Chong Cha Williams; and

S. 1335. An act for the relief of Shin Myong Yo Purdom, also known as Myong Yo Sin.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–4190. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, transfers of amounts appropriated to the Department of Defense; to the Committee on Appropriations.

EC–4191. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend sections 3031 (d) and 8031(d) of title 10, United States Code, to limit their application to general officers assigned or detailed to duty in the executive part of the Department of the Army and the Department of the Air Force, and for other purposes; to the Committee on Armed Services.

EC–4192. A secret communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, 52 selected acquisition reports (SARs) and the SAR summary tables for the quarter ending June 30, 1978; to the Committee on Armed Services.

EC–4193. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on a transaction involving the export of U.S. services to Spain; to the Committee on Banking, Housing, and Urban Affairs.

EC–4194. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on a transaction involving U.S. exports to Trinidad and Tobago; to the Committee on Banking, Housing, and Urban Affairs.

EC–4195. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the National Credit Union Administration for the 15 Months Ended September 30, 1977," August 14, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–4196. A communication from Under Secretary, Department of Energy, transmitting, pursuant to law, contract modification, Modification 9 to the Department of Energy (DOE) Contract No. EY–76–C–05–1530, extends DOE's contract with the Ohio Valley Electric Corporation (OVEC) through December 31, 1979; to the Committee on Energy and Natural Resources.

EC–4197. A communication from the Administrator, U.S. Environmental Protection Agency, requesting approval of certain reprogramings which exceed the 10-percent limitation; to the Committee on Environment and Public Works.

EC–4198. A communication from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, final regulation for emergency school aid—magnet schools, University/business cooperation, and neutral site planning; to the Committee on Human Resources.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–777. A resolution adopted by the Kansas Electric Cooperatives, Inc., board of trustees, Overland Park, Kans., relating to the Endangered Species Act (Public Law 93–205).

POM–778. A resolution adopted by the Kansas Electric Cooperatives, Inc., board of trustees, Overland Park, Kans., relating to government regulations; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DECONCINI, from the Committee on the Judiciary, with amendments:

S. 3375. A bill to amend title 28 of the United States Code to make certain changes in the places of holding Federal district courts, in the divisions within judicial districts, and in judicial district dividing lines (Rept. No. 95–1121).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

H.R. 185. An act to amend section 2632 of title 10, United States Code, to provide the Secretary of the department in which the Coast Guard is operating with the authority to transport Coast Guard employees to and from certain places of employment (Rept. No. 95–1122).

NASA AUTHORIZATIONS, 1979—CONFERENCE REPORT

Mr. STEVENSON, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11401) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 95–1123).

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. HATHAWAY (for himself and Mr. STAFFORD):

S. 3425. A bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among the entities which may be qualified providers of service, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. GRAVEL):

S. 3426. A bill to amend title XX of the Social Security Act to increase the annual dollar limitation with respect to Federal financial participation in programs assisted thereunder; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. ANDERSON, Mr. GRIFFIN, Mr. HASKELL, Mr. HATCH, Mr. PAUL G. HATFIELD, Mr. HATHAWAY, Mr. HODGES, Mrs. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. MATHIAS, Mr. PELL, Mr. RIEGLE, Mr. STEVENS, Mr. HANSEN, and Mr. ROTH):

S. 3427. A bill to provide for the striking of medals during the XIII Winter Olympic Games to commemorate former Olympic athletes who have brought honor to the United States through their discipline, courage, and accomplishments; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WILLIAMS:

S. 3428. A bill to amend the Higher Education Act of 1965 to raise the limits of insured loans for undergraduate students, to allow lenders to use a government service administered by the Commissioner of Education and the Secretary of the Treasury for the collection of such loans, and for other purposes; to the Committee on Human Resources.

By Mr. JACKSON (for himself and Mr. HANSEN) (by request):

S. 3429. A bill to designate the Great Bear Wilderness, Flathead National Forest, and enlarge the Bob Marshall Wilderness, Flathead and Lewis and Clark National Forests, State of Montana; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS (for himself and Mr. CRANSTON):

S.J. Res. 152. A joint resolution authorizing and requesting the President to issue a proclamation designating the month of June as "National First Aid Month"; to the Committee on the Judiciary.

By Mr. ANDERSON:

S.J. Res. 153. A joint resolution authorizing the President to proclaim the third week in June 1979 as "National Veterans' Hospital Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATHAWAY (for himself and Mr. STAFFORD):

S. 3425. A bill to amend title XVIII of the Social Security Act for the purpose of including community mental health centers among the entities which may be qualified providers of service, and for other purposes; to the Committee on Finance.

COMMUNITY MENTAL HEALTH ASSISTANCE ACT OF 1978

● Mr. HATHAWAY. Mr. President, today it is my pleasure to introduce the Community Mental Health Assistance Act of 1978. This bill will amend title 18 of the Social Security Act to establish provider status under medicare for qualified community mental health centers, to provide coverage of partial hospitalization services for mental health care in lieu of inpatient hospitalization, and to provide for reimbursement of outpatient services provided by a community mental health center.

At present, medicare coverage for mental health services is extremely limited. And it has not changed since 1965. The emphasis in current law is on institutionalization, borne out by the fact that more than 80 percent of medicare expenditures for mental health is concentrated on institutional inpatient hospital care. This is true even though the trend in the mental health field is toward deinstitutionalization and provision of care in the least restrictive setting.

In addition, the current medicare system imposes a lifetime limit on reimbursement for inpatient mental health care. At the same time outpatient care is restricted to a maximum of $250 annually while requiring a 50-percent copayment by the recipient, regardless of ability to pay.

As a result of these restrictive requirements, many of our elderly and disabled citizens who need mental health services in fact do not receive them. Or, they must be institutionalized when institutionalization is hardly necessary.

In 1963, Congress passed the Community Mental Health Center's Act to establish a network of local community mental health centers. Funding was provided for initial operation of the centers for 8 years, with the intention that third party payments would provide for the continued financial stability of the centers. This has not in fact been the case. Consequently, many community mental health centers which are "graduating" from the program are forced to decrease services or close down entirely. Surely, this was not our intention. With equal certainty, we must insure that centers remain viable.

The legislation I am introducing today will address the concerns I have raised by providing for medicare coverage of community mental health center services. It will make sure that mental health services, particularly non-institutional services, are more readily available to our elderly citizens while placing community mental health centers on a firm financial footing.

In short, the bill would provide reimbursement for outpatient services provided by a community mental health center. These would be limited to 10 visits per year and could be provided at the community mental health center and in the patient's home where appropriate. The latter provision is included in recognition of the difficulty experienced by many older people in getting to a center. This is particularly true in rural areas.

The bill would also provide coverage for partial hospitalization services in lieu of inpatient hospital care. This provision acknowledges the need to keep people out of costly institutions unless inpatient care is truly necessary. It recognizes the trend in the mental health field toward deinstitutionalization while providing a cost effective alternative.

That partial hospital is cost effective is the conclusion of a study conducted by a private insurance company. I would like to share a description of this study with my colleagues which appeared this month in Hospital and Community Psychiatry and ask unanimous consent that it be inserted in the RECORD at this point.

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

DAY HOSPITALIZATION AS A COST EFFECTIVE ALTERNATIVE TO INPATIENT CARE: A PILOT STUDY

(By William Guillette, M.D., Medical director, Claim Department, Aetna Life and Casualty Hartford, Conn.; Brian Crowley, M.D., Washington, D.C., S. Alan Savity, M.D. Washington, D.C., and F. Del Goldberg, M.H.A., consultant in Mental Health Administration, Rockville, Md.)

(Two private day hospitals and an insurance company offering group health coverage to federal employees undertook a pilot study to determine if providing insurance coverage for day hospitalization on the same basis as for inpatient treatment was a feasible means of controlling the cost of psychiatric care. The study included 31 patients who otherwise would have been hospitalized; most had histories of severe psychiatric disorders and extensive treatment. Using the measure that the day hospital patients would have been in inpatient treatment for the same number of days, the authors estimate that the use of day treatment saver the insurer more than $255,000. They recommended that day hospitalization be reimbursed on the same basis as inpatient care if a day hospital can meet stringent criteria ensuring that it provides active, appropriate treatment, and they present a list of such criteria.)

Previous well-controlled studies have shown the effectiveness of day hospitalization as an alternative to inpatient care and, indeed, the superiority of the modality to inpatient care in several respects.[1,2] The main purpose of a study we conducted in the Washington, D.C., area was to determine whether day hospitalization was cost-effective from an insurance standpoint—that is, as a means of controlling the rapidly rising costs of inpatient care.

The escalating costs of hospitalization are well known. It has been estimated that $1.7 billion could be saved each year by reducing by just one day the hospital stay of each mentally ill patient in the U.S.[3] Day hospitalization is considerably cheaper per day and, in most cases, requires shorter lengths of stay.[4]

Gunderson and Mosher point out that the costs of treating schizophrenia can be estimated to range between $2.06 and $4.01 billion a year. Of this amount inpatient costs are $2 to $3.9 billion, and outpatient and aftercare costs, including day treatment, are $60 to $100 billion. They state: "Day hospitals, which are less expensive and seemingly equally efficacious for some schizophrenic patients, are now more available. Between 1967 and 1972, for example, all admissions to day care hospitals increased by 184 per cent. . . . It is ironic that the failure of most insurance companies to cover day hospital costs may actually increase their expenditures fo rinpatient services." [5]

Most group health policies equate day hospitalization with outpatient or office care; therefore, if day hospital treatment is provided for at all, it is almost always reimbursed at a lower rate than is inpatient care. Because of the limitations on out-of-hospital coverage, simple economics frequently dictate that the patient be hospitalized. We hope that the results of this study will help convince more third-party payers that for many patients day hospitalization is a cost-effective alternative to inpatient treatment.

A study resulted from changes that Aetna Life and Casualty made in 1974 in mental health benefits for Aetna-insured federal employees in the Washington, D.C., area; Aetna decreased its coverage for outpatient treatment, which included day hospitalization, and thus incentives for using day care were severely decreased.

Two private day treatment centers, the Potomac Foundation for Mental Health in Bethesda, Maryland, and the Silver Spring (Md.) Day Treatment Center, began discussions with Aetna to try to have the benefits restored. Eventually a pilot project to determine if day hospitalization was cost-effective was designed. Aetna was to reimburse the participating day treatment centers on the same basis as for inpatient treatment, collect data, and review costs.

Detailed criteria for the facilities' participation in the study were established, to ensure that appropriate treatment would be provided. The criteria related to accreditation, psychiatric and other staffing, treatment planning, record-keeping and review, and emergency care, among other aspects of day hospital operation; at that time no generally accepted standards for day hospitals existed.

One of the primary requirements of the study design was that patients included in the study would otherwise have been hospitalized; additional rigid criteria for patient participation were established. To make sure that patients included in the sample met the criteria, the complete medical records of each patient were reviewed by Aetna's medical director for claims and also by an independent consultant, a physician associated with a private psychiatric hospital.

The study was begun in September 1975 and continued until June 1977. It was not a controlled study, partly because both centers were committed to the principle that inpatient hospitalization should be avoided and because patients were referred to the centers specifically for day hospitalization.

THE PATIENTS AND THE COSTS

A total of 31 patients—16 males and 15 females—were included in the study. Their ages ranged from 14 to 69, with an average of 30 years. Nine were married, one was divorced, 20 were single, and one was widowed. The majority of the patients had histories of severe psychiatric disorders and fairly extensive prior treatment.

Twenty-four of the patients were diagnosed as psychotic and seven neurotic. Eighteen of the 24 psychotic patients were schizophrenic; three others had a diagnosis of psychotic depression, two of involutional melacholia, and one of chronic psychosis. Of the neurotic patients, four had diagnoses of depressive neurosis, and there was one diagnosis each of anxiety neurosis, adjustment reaction, and alcoholism.

Footnotes at end of article.

When the study ended, all but two of the patients had completed day treatment. The time spent in treatment ranged from three to 190 days, with an average of 53.4 days; the average length of treatment in calendar days was 88.5. The costs of treatment ranged from $315 to $17,829, with an average cost of $5,019.71 per patient.

Eighteen of the 31 patients, or 58 per cent, made significant improvement, as measured by the centers' treatment staffs. They once again became productive members of the community; that is, they returned to work, school, or family activities. Two patients required inpatient hospitalization; one improved and returned to day treatment, and the second appeared to need long-term inpatient care. The other 11 patients showed little or no improvement.

We knew of no valid method of determining the cost-effectiveness of partial hospitalization that would be acceptable to all sections of the health care field. We elected to base our calculations on the premise that if a patient had not been in a day hospital setting, he would have been in inpatient treatment for the same number of days. The measure is crude because obviously some patients might be hospitalized for a longer or shorter time, but we hope that eventually, with enough cases, the lengths of stay will average out and the calculations will yield fairly reliable statistics. We estimated the cost of inpatient care (including hospital and physician's charges) in the Washington, D.C. metropolitan area as $150 a day, which we felt was a conservative figure.

On that basis, if the 31 patients had been hospitalized for the 1,654 days they were in day hospital treatment, the cost would have been $411,150. The cost of partial hospitalization was $155,611; thus there was an estimated on-paper savings of $255,839.

The amount actually saved can be debated indefinitely. However, if the savings were only $50,000 and the care given was appropriate, it should be apparent that partial hospitalization is a cost-effective alternative for selected patients.

CRITERIA FOR REIMBURSEMENT

We recommend that day hospitalization no longer be equated with outpatient care in group health policies but reimbursed on the same basis as inpatient care. However, we make that recommendation with the proviso that, to be eligible for such reimbursement, a day hospital should meet stringent criteria ensuring that it provides appropriate, intensive, high-quality treatment rather than primarily custodial care or training or recreational activities. The criteria established for facilities' participation in the Aetna study would appear to be suitable guidelines:

The program must be accredited by the Joint Commission on Accreditation of Hospitals' Council for Psychiatric Facilities. It may be accredited either as a separate facility or as a service within a facility accredited by JCAH.

The program must be licensed under any existing licensing requirements in that jurisdiction. Where required, the facility must be approved by the applicable health agency and the state certificate-of-need agency.

The program must develop and maintain a long-range development plan approved by the facility's board of directors.

There must be explicit and detailed statements of objectives that include a description of who shall be treated, for what conditions, and by what methods.

The program must have a director who is a board-eligible psychiatrist and who has enough day-to-day clinical and administrative responsibility for the program to assure that there is always adequate psychiatric manpower to meet the program's objectives. The program must be staffed by at least three licensed and board-eligible psychiatrists who are directly involved in the program by providing services to patients, training, and staff supervision. Documentation that a psychiatrist is present at all times during the treatment day must be available.

A registered psychiatric nurse with at least two years' experience in psychiatric programs must be present at all times during the treatment day, as well as other appropriate professionals such as a licensed clinical psychologist, a qualified psychiatric social worker, or both. There must be sufficient professional staff to maintain the objectives of an intensive treatment program.

The program must operate a full day treatment program at least five days a week.

A staff psychiatrist must provide weekly consultation, which includes clinical assessments of patients, to the treatment staff and must conduct appropriate psychotherapy with each patient. Adequately supervised treatment by a psychiatric resident will be acceptable in lieu of direct treatment by a staff psychiatrist.

The program must have individualized treatment plans that include regular input from the psychiatrist. Such plans must include a formal mechanism for discharge planning that is designed to discharge patients promptly to other, more appropriate levels of care. The discharge planning mechanism must be documented, with the documentation available on request.

The program must provide emergency psychiatric care, including overnight care if necessary, and must have a demonstrable capability to respond promptly to crises and emergencies 24 hours a day 365 days a year. Independent, free-standing facilities must have a written agreement with a hospital for the provision of such care.

The program must have the necessary equipment and staff to provide first aid in medical emergencies.

The program must maintain current and complete medical records for each patient, and the records must be available for review, on request, for claims adjudication and for utilization review. Each medical record must contain an admitting notation and diagnosis by a psychiatrist; a complete psychiatric history; a report of a current physical examination, including a medical history and results of necessary laboratory tests; a current and complete treatment plan, including prognosis; and, for discharged patients, a discharge summary.

The program must have a comprehensive written plan for external utilization review and detailed records of utilization review meetings. Utilization review must be conducted at least twice a month by a visiting board-eligible psychiatrist; the psychiatrist must not be beneficially related in any way either to the program or to the facility in which the program is located.

The physical facility and space provided by the program must be adequate for the provision of intensive psychiatric treatment.

Facilities functioning primarily as schools or as training, custodial, or recreational institutions will not be considered day hospital programs for purposes of reimbursement. Schooling, therapeutic or otherwise, is also excluded, as are programs in which schooling is a major modality.

Adequate financial and other records or information must be made available to the insurer so that adjustments may be made for schooling and other nonmedical and nonreimbursable services.

In America psychiatric treatment has been dominated by the use of inpatient hospitalization. In recent years many long-term custodial patients have been discharged to the community, to situations as bad as or worse than they faced as an inpatient. We believe that even more emphasis must be put on alternative forms of psychiatric treatment. Day hospitalization appears to be among the most promising currently available modalities, both clinically and economically.

But in spite of its obvious clinical and economic advantages, day hospitalization has seldom been successful in the private sector. Since the pilot project was completed, the two facilities involved in the study have closed. Their closing was a loss to their communities and is indicative of the difficulties day hospitalization faces in competing with inpatient treatment. We hope that this study will encourage third-party payers to eliminate the differentials in coverage of the two modalities and thus to give support a highly beneficial modality.

FOOTNOTES

[1] M. I. Herz *et al.*, "Day Versus Inpatient Hospitalization: A Controlled Study," *American Journal of Psychiatry*. Vol. 127, April 1971, pp. 1371–1382.

[2] S. Washburn *et al.*, "A Controlled Comparison of Psychiatric Day Treatment and Inpatient Hospitalization," *Journal of Consulting and Clinical Psychology*. Vol. 44, August 1976, pp. 665–675.

[3] W. Furst, "Daycare: Comprehensive Management of the Mentally Ill Patient in the Community," *Sandoz Panorama*, December 1970, pp. 26–28.

[4] Herz *et al., op. cit.*

[5] J. G. Gunderson and L. R. Mosher, "The Cost of Schizophrenia," *American Journal of Psychiatry*, Vol. 132, September 1975, pp. 901–906.

Mr. HATHAWAY. Mr. President, this legislation is long overdue. The proposals I am offering today were recommended by the President's Commission on Mental Health, as well as the Rural Health Task Force and the Elderly Mental Health Task Force to the Commission. They were developed in consultation with experts in the field and have been adopted by the House Ways and Means Committee.

In addition, to enact these proposals will not break the bank. The most recent estimate by administration indicates that reimbursement for these services will cost approximately $10 million in the first year of operation. I might add here, that I have considered other approaches to expanding medicare coverage for mental health services, and selected this one because it will provide valuable and needed services without increasing costs dramatically. I have included in the bill certain safeguards to insure efficient use of medicare funds for community mental health center services, including a requirement that the center have an external utilization review committee.

Mr. President, I believe the reforms I am proposing today are a responsible way to insure our senior citizens receive the kind of care they need in the least restrictive setting while providing for the continued viability of community mental health centers. I look forward to considering this measure further when it comes before the Finance Committee on which I serve, and hope that it will be enacted swiftly.

Mr. President, 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. 3425

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 "Community Mental Health Assistance Act of 1978."

SEC. 2. (a) Section 1812(a) of the Social Security Act is amended by striking out "and" in paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and by adding the following two new paragraphs at the end thereof:

"(4) outpatient services provided by a community mental health center for up to 10 visits during a year; and

"(5) partial hospitalization services by a community mental health center for up to 60 visits during a year."

(b) Section 1812(b) of such Act is amended by striking out "or" at the end of paragraph (2), by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon, and by adding the following two new paragraphs at the end thereof:

"(4) outpatient services furnished to him by a community mental health center after such services have been furnished to him for a total of 10 visits during a year; and

"(5) partial hospitalization services furnished to him by a community mental health center after such services have been furnished to him for a total of 60 visits during a year."

(c) Section 1812(c) of such Act is amended by adding the following new sentence at the end thereof: "In determining the 190-day limit with respect to any individual under subsection (b)(3), the Secretary shall include one day for every three partial hospitalization visits to a community mental health center by such individual."

(d) Section 1812(e) of such Act is amended by inserting "outpatient mental health services and partial hospitalization services furnished by a community mental health center," after "extended care services,".

SEC. 3. (a) Section 1814(a)(2) of the Social Security Act is amended by striking out "or" at the end of subparagraph (D), by inserting "or" after the semicolon at the end of subparagraph (E), and by adding the following new subparagraph after subparagraph (E):

"(F) in the case of outpatient services or partial hospitalization services furnished by a community mental health center, by or under the case management of a mental health professional, such services are or were required for the mental health treatment of an individual, and such treatment can or could reasonably be expected to improve the condition for which such treatment is or was necessary;"

(b) Section 1814(a) of such Act is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and by adding the following two new paragraphs at the end thereof:

"(8) with respect to services furnished by a community mental health center in connection with a partial hospitalization visit, such center shall make available to the Secretary a statement, in writing and signed by the individual or his representative (pursuant to regulations issued by the Secretary) before receiving such services, indicating that the individual understands that three partial hospitalization visits will reduce by one day the number of days of inpatient psychiatric hospital services to which such individual is entitled during his lifetime under this part; and

"(9) with respect to services furnished by an inpatient hospital in connection with inpatient psychiatric care, such hospital makes available to the Secretary a statement, in writing and signed by the individual or his representative (pursuant to regulations issued by the Secretary) before receiving such care, indicating that use of inpatient hospital services will reduce on a daily basis the lifetime inpatient entitlement under this Act, and that the individual understands that three partial hospitalization visits will reduce by one day the number of days of inpatient psychiatric hospital services to which such individual is entitled during his lifetime."

(c) Section 1814 of such Act is amended by adding the following new subsection at the end thereof:

"(k) Payments for partial hospitalization services by a community mental health center on behalf of an individual which are rendered for visits in excess of 10 visits per year shall be made only after a treatment review committee of a community mental health center has certified prior to the eleventh visit during a year and an external utilization review committee (as defined in section 1861(ee)) has certified prior to the thirty-sixth visit during such year, that such services are necessary and appropriate.".

SEC. 4. Section 1861 of the Social Security Act is amended by adding the following new subsections at the end thereof:

"Outpatient Services by a Community Mental Health Center

"(bb) The term 'outpatient services by a community mental health center' means the following items and services furnished to an outpatient of a community mental health center by such center in accordance with a treatment plan:

"(1) active diagnostic, therapeutic, or rehabilitative mental health services, including crisis intervention outside the facility and home mental health visits, when provided by a physician or by another qualified mental health professional under the case management of a mental health professional as prescribed by the Secretary;

"(2) such other related services necessary to the mental health of an individual, when provided under the direction of a qualified mental health professional, which are ordinarily furnished to outpatients in such center; and

"(3) all services provided under subparagraph (1) or (2) of this section shall include the participation of a physician as determined by local medical practice or under such guidelines as the Secretary may prescribe for rural and urban mental health manpower shortage areas.

"Partial Hospitalization Services by a Community Health Center

"(cc) The term 'partial hospitalization services by a community mental health center' includes—

"(1) active, professional treatment (with at least seventy-five per centum of the time of attendance in active therapies) of a person with acute mental or emotional disabilities, with such treatment being based upon an individualized treatment plan which is regularly updated;

"(2) coordination of related services to assist treatments; and

"(3) demonstrated capacity to respond to crisis and emergencies of persons in treatment on a 24-hour basis, 365 days during a year (including medical emergencies while the person is in attendance at the facility).

"The treatment plan for such services may include, but is not limited to, diagnosis and evaluation (including psychological, physical, and nutritional assessment), formal and informal psychotherapy (individually or in groups or families), chemotherapy, and other modalities designed to improve the condition of the patient.

"The services of this section are limited to persons not requiring 24-hour inpatient care or 24-hour supervision in non-inpatient care entities.

"Community Mental Health Center

"(dd) The term 'community mental health center' means a public or private entity which—

"(1) is primarily engaged in providing services for the diagnosis and treatment of emotionally disturbed and mentally ill persons, has a requirement that all mental health care be under the supervision of one mental health professional, and has appropriate arrangements to ensure that all patients requiring medical services are referred to a physician;

"(2) in the case of a center in any State in which State or applicable local law provides for the licensing of community mental health centers, is licensed pursuant to such law;

"(3) has bylaws in effect with respect to its staff;

"(4) meets such staffing requirements as the Secretary finds necessary in order to carry out an active program of diagnosis, treatment, and rehabilitation for individuals who are furnished services;

"(5) maintains clinical records including such records as the Secretary finds to be necessary to determine the degree and intensity of the treatment provided to individuals entitled to benefits under this title;

"(6) has in effect a utilization review plan pursuant to subsection (ee);

"(7) has in effect an agreement with a hospital pursuant to subsection (ff);

"(8) has appropriate procedures or arrangements in compliance with applicable State and Federal law, for storing, administering, and dispensing drugs and biologicals; and

"(9) meets the definition of—

"(A) a community mental health center in section 201 of the Community Mental Health Centers Act and the requirements prescribed by regulation thereunder; or

"(B) a community mental health center prescribed in regulation hereunder the effective date of which is no earlier than October 1, 1980, and no later than September 30, 1982.

"Utilization Review Plan of a Community Mental Health Center

"(ee) A utilization review plan of a community mental health center shall be considered sufficient if it is applicable to services furnished by the center to individuals entitled to insurance benefits under this title and if it provides—

"(1) for the review, on a sample or other basis, of admissions to the centers, and the professional services (including drugs and biologicals) furnished, (A) with respect to the mental health necessity of the services, and (B) for the purpose of promoting the most efficient use of available health facilities and services; and

"(2) for such review to be made by an external utilization review committee which is established in a manner as may be approved by the Secretary.

"Transfer Agreement Between Hospital and Community Mental Health Center

"(ff) A hospital and a community mental health center shall be considered to have a transfer agreement in effect if, by reason of a written agreement between them or (in case the two institutions are under common control) by reason of a written undertaking by the person or body which controls them, there is reasonable assurance that—

"(1) transfer of patients will be effected between the hospital and the community mental health center whenever such transfer is medically appropriate as determined by the attending physician; and

"(2) there will be interchange of medical and other information necessary or useful in the care and treatment of individuals transferred between the institutions, or in determining whether such individuals can be adequately cared for otherwise than in either of such institutions.

Any community mental health center which does not have such an agreement in effect, but which is found by a State agency (of the State in which such facility is situated) with which an agreement under Sec-

tion 1864 is in effect (or, in the case of a State in which no such agency has an agreement under Section 1864, by the Secretary) to have attempted in good faith to enter into such an agreement with a hospital sufficiently close to the facility to make feasible the transfer between them of patients and the information referred to in paragraph (2), shall be considered to have such an agreement in effect if and for so long as such agency (or the Secretary, as the case may be) finds that to do so is in the public interest and essential to assuming extended care services for persons in the community who are eligible for payments with respect to such services under this title.".

SEC. 5. (a) Section 1861(u) of the Social Security Act is amended by inserting "community mental health center" after "health agency".

(b) Section 1861(w) of such Act is amended by inserting "community mental health center" after "nursing facility".

SEC. 6. (a) Section 1864(a) of such Act is amended—

(1) by inserting "or whether a facility therein is a community mental health center as defined in section 1861(dd)" before the period at the end of the first sentence;

(2) by inserting "a community mental health center," after "rural health clinic," in the second sentence; and

(3) by inserting "community mental health center" after "laboratory," in the fifth sentence.

(b) Section 1865(a)(1) of such Act is amended by inserting "or a community mental health center after October 1, 1980" after "hospital" and before "by the Joint Commission".

(c) Section 226(c)(1) of such Act is amended by inserting "and partial hospitalization services and outpatient services furnished by a community mental health center" before "as such terms".

(d) Section 7(d)(1) of the Railroad Retirement Act of 1974 is amended by inserting "partial hospitalization services and outpatient services furnished by a community mental health center," after "inpatient hospital services,".●

● Mr. STAFFORD. Mr. President, medicare coverage of mental health services has been unchanged since 1965. The lack of adjustment of medicare to Federal, State, and local deinstitutionalization efforts and strategies to promote ambulatory mental health services has contributed to the abandoning of many elderly and disabled Americans in need of mental health care.

Originally designed to concentrate Federal funds for active treatment, the current medicare program attempts to avoid refinancing of State institutions and nonmedical services by placing limits on the lifetime use of inpatient services and limiting outpatient mental health coverage to a maximum of $250 annually while requiring a 50-percent copayment by the elderly or disabled recipient, even if that person is poor.

As a result, the medicare system of financing has created numerous disincentives which: first, do not allow services meaningful to the patient's choice; second, foster overinstitutionalizing; third, fund mental health services through health agencies and providers more than through specialties for mental health; fourth, promote unnecessary utilization of health care providers—particularly ICF's, nursing homes, and other inpatient facilities—when mental health services are needed.

Mr. President, the bill we are introducing today would: first, eliminate economic barriers for the elderly to utilize mental health services; second, offer freer choice to the aged and disabled who participate in medicare, so that they need not be placed in institutional settings; third, breach the gap in existing law between medicare and the Federal community mental health centers, so that services are more readily available to the elderly and we do not neglect our original course of sponsoring community mental health care; fourth, provide cost-effective alternatives in service delivery. which insurance companies incorporate but which are not available in medicare; fifth, establish strict controls over the use of medicare funds, so that outpatient mental health services are provided only when stiff utilization review is in effect; sixth, take steps to concentrate medicare reimbursement and financing on the goals and outcomes of services rather than on the professional judgment of providers.

Mr. President, this proposal was developed in consultation with experts in the field and implements two of the most important mental health financing recommendations of the President's Commission on Mental Health, as well as the recommendations of the Rural Health Task Force and the Elderly Mental Health Task Force to the Commission.●

By Mr. DOLE (for himself, Mr. GRAVEL, Mr. CRANSTON, Mr. PERCY, Mr. WILLIAMS, Mrs. HUMPHREY, Mr. HATHAWAY, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. ANDERSON, Mr. JOHNSTON, Mr. RIEGLE, Mr. SARBANES, and Mr. DURKIN):

S. 3426. A bill to amend title XX of the Social Security Act to increase the annual dollar limitation with respect to Federal financial participation in programs assisted thereunder; to the Committee on Finance.

● Mr. DOLE. Mr. President, in June the Senator from Alaska (Mr. GRAVEL) and I introduced amendment No. 3077 to H.R. 7200, the public assistance amendments of 1977. Our amendment provided for a raise in the ceiling on funding for title XX of the Social Security Act, to $2.9 billion in fiscal year 1979; $3.15 billion in fiscal year 1980; and $3.45 billion in fiscal year 1981.

Today, we are introducing the same increases to the title XX ceiling as a separate piece of legislation. I am pleased to have as cosponsors to the bill the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. PERCY), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Maine (Mr. HATHAWAY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Minnesota (Mr. ANDERSON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Michigan (Mr. RIEGLE), the Senator from Maryland (Mr. SARBANES), and the Senator from New Hampshire (Mr. DURKIN).

HOUSE ACTION

Since the time we introduced our amendment, the House has acted favorably on legislation which would raise the ceiling to the same levels we propose. The House bill, H.R. 12973, was approved by a vote of 346 to 54. The vote is indicative of the broad support which this program enjoys.

Some 2 months after we introduced this measure as an amendment, the Senate Finance Public Assistance Subcommittee announced its intent to hold a hearing on August 18 on the justification of raising the title XX ceiling. This matter is obviously generating more and more interest as an issue in itself, rather than remaining a sideline attraction to another piece of legislation. Because of this, I think it is timely to introduce now the increase in title XX funding as a separate bill, so that it might be considered at this Friday's hearing.

It is my hope that witnesses will comment on this bill, for to my knowledge, it is the only bill calling for a raise in the ceiling that has been introduced in the Senate.

HISTORY

Prior to 1972, funding for fiscal services was open-ended, with no limits placed on Federal spending. Although there was a 25-percent State match requirement, the programs were loosely regulated and States found it easy to tap Federal sources. Because State programs were growing so fast, estimates made in the early 70's predicted a program cost of $6 billion by fiscal year 1972. To circumvent this possibility, the Congress imposed a $2.5 billion ceiling on authorizations in 1972. In 1975, the present title XX was created to provide structure to the array of Federal and State social service programs. Although eligibility for services was extended to the working poor and to neglected or abused persons for the first time, the ceiling was left at the 1972 level.

PROGRAMS FUNDED BY TITLE XX

By law, title XX money must go into programs which help individuals become self-supporting or less dependent upon public assistance, and to programs which protect abused individuals. Programs funded may include services for child care; foster care; training and employment; counseling; transportation; meals; health support; and appropriate programs for the aged and handicapped. In Kansas, funding priority goes to day care services which allow the parent to become employed. Residential services for the handicapped and mentally retarded are also high on the list, where social training and self-care skills are taught. Work activities for the handicapped are funded, in addition to homemaker services for the elderly and handicapped. Abused and neglected children are eligible for protective services under title XX, and Kansas operates a family support program to facilitate adoption of minority children.

Title XX is particularly well-liked, because except for the broad restrictions listed above, there are no Federal strings attached to the money. States may use the money as they see fit, which allows for decisions of need to be made at the State level.

CONCLUSION

Mr. President, because of the impact which programs funded by title XX are making in our communities and in our States, I feel we have a responsibility to

promote and protect our past investment. If these social services programs enable parents to work, handicapped persons to become self-supporting, and children to grow up in a caring environment, then I think we are making a wise and responsible investment with Federal dollars. I hope that this legislation will receive favorable consideration.

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

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

S. 3426

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective with respect to the fiscal year beginning October 1, 1978, and each succeeding fiscal year—

(a) section 2002(a)(2)(A) of the Social Security Act is amended by striking out "$2,500,000,000" and inserting in lieu thereof "the dollar amount specified under subparagraph (E) for such fiscal year", and

(b) section 2002(a)(2) of such Act is amended by adding at the end thereof the following new subparagraph:

"(E) The dollar amount in effect for purposes of subparagraph (A) shall be—

"(i) $2,900,000,000 for the fiscal year beginning October 1, 1978;

"(ii) $3,150,000,000 for the fiscal year beginning October 1 1979;

"(iii) $3,450,000,000 for the fiscal year beginning October 1, 1980 and for each succeeding fiscal year.".

● Mr. GRAVEL. Mr. President, today Senator DOLE and I are introducing legislation to raise the entitlement for title XX of the Social Security Act, which provides comprehensive social services. Twelve of our colleagues have endorsed our proposal: Senator ANDERSON, Senator CRANSTON, Senator DURKIN, Senator HATHAWAY, Senator HUMPHREY, Senator JOHNSTON, Senator MATSUNAGA, Senator PERCY, Senator RANDOLPH, Senator RIEGLE, Senator SARBANES, and Senator WILLIAMS.

The history of Federal involvement with the social service programs has been consistently supportive. Partisan politics have not dissipated the support for strong social service programs designed to meet the myriad needs of the vulnerable people in our population. Unlike other Federal matching programs, social service programs have always enjoyed a larger Federal participation.

By 1972, the Federal participation in these programs had mushroomed and no leveling of Federal effort was anticipated. Congress reacted reasonably to this situation by imposing a ceiling on the Federal investment in the social service program. At the same time, Congress reiterated its overall support for comprehensive services to assist the indigent and vulnerable by maintaining its percentage share of funding.

In 1975, Congress improved the social service programs by creating title XX, which consolidated a plethora of social service programs under one title. The need for supportive services regardless of income was recognized in the broadened eligibility criteria included in title XX.

Without doubt, Mr. President, the developing title XX program is one of the most humanitarian programs on the books and it is one of the most successful. Who can deny the personal and economic benefit helping the elderly remain independent and live their last years with dignity? Title XX provides this assistance. Who would deny innocent children who are the victims of violence and abuse protective services?

Who would deny their families the counseling necessary to cope with domestic violence? Title XX provides these services. Who would deny the mentally retarded an opportunity to live outside an institution, in a self-sufficient environment? Title XX provides this opportunity.

To be sure Mr. President, many of us either because of income or because we enjoy stable, healthy lives, will never need title XX services. But for those less fortunate these services are the helping hand we all recognize can make the difference between an institutionalized existence and a self-sufficient life.

From an economic viewpoint I would rather spend my tax dollars on preventing institutionalization, welfare dependence, criminal prosecutions, custody battles, family dissolution, and so forth, than aggravate the social and economic costs of subsidizing the above.

Congress, I think, agrees with me. As I stated earlier we have consistently asserted our strong support for the title XX programs and our sensitivity to the crucial need for these services. It is time for us to once again examine our commitment to title XX because it is no longer functioning in an acceptable manner.

When we imposed a $2.5 billion ceiling on Federal participation in the title XX program it was assumed that States would have some flexibility to expand and improve their social service programs. Three years later, when title XX was written the ceiling remained, although the scope of the program expanded. With the increased demand on the program in terms of services, eligible population, and inflation the current ceiling is no longer relevant. Our social mores have changed since 1972. Divorce is on the rise, domestic abuse is out of the closet, and unemployment is critically high. These phenomena have contributed to an increased need for services. But the need cannot be approached, let along satisfied, when the Federal funding share now buys only half the services it bought in 1972.

Almost every State has reached its maximum allocation under the title XX formula. This means that title XX administering agencies must begin to curtail services and/or limit the people who will receive services. In addition, the providers of services can no longer involve the community in designing a long-range program of services to meet the local community's needs.

At this point, planning is an exercise of distributing insufficient resources among critical social services. The situation will not get better, until we lift the Federal funding ceiling for title XX.

Senator DOLE and I are proposing a staggered 3-year increase in the ceiling: $200 million in fiscal year 1979, $250 million in fiscal year 1980, and $300 million in fiscal year 1981. By 1981 the ceiling on Federal participation in title XX will be $3.45 billion. These increases fall short of matching 6 years of inflation as measured by the Consumer Price Index, which has increased 44.9 percent since 1972, but they will reinstate effective service programs.

The first year of increased funding will begin to reestablish some of the lapsed social service programs and encourage extending services to the entire title XX population. With the knowledge of second and third year funding increases, administering agencies can satisfy the planning requirements of title XX by involving the community in creating a mixture of services designed to meet the specific needs of that population.

Mr. President, I have not discussed this legislation with anyone who has not admitted the necessity of raising the title XX funding ceiling. In the House of Representatives, 130 Members cosponsored similar legislation introduced by Representatives KEYS and FRASER. In June the House overwhelmingly approved the 3-year increases. In addition, some of the most representative public interest groups have endorsed this legislation including the National Governors Association, the National Association of Counties, the National Conference of State Legislatures, the National Association of Social Workers, the National Association of Retarded Citizens, the National Council on Aging, the AFL–CIO, Goodwill Industries, Epilepsy Foundation of America, the Appalachian Child Development Advocates, the National Association of Retired Persons, the League of Women Voters, and the Easter Seal Society.●

By Mr. CHAFEE (for himself, Mr. ANDERSON, Mr. GRIFFIN, Mr. HASKELL, Mr. HATCH, Mr. PAUL G. HATFIELD, Mr. HATHAWAY, Mr. HODGES, Mrs. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. MATHIAS, Mr. PELL, Mr. RIEGLE, Mr. STEVENS, Mr. HANSEN, and Mr. ROTH):

S. 3427. A bill to provide for the striking of medals during the XIII winter Olympic games to commemorate former Olympic athletes who have brought honor to the United States through their discipline, courage, and accomplishments; to the Committee on Banking, Housing, and Urban Affairs.

U.S. OLYMPIC COMMEMORATIVE MEDALS ACT

● Mr. CHAFEE. Mr. President, today I am introducing the U.S. Olympic Commemorative Medals Act.

This legislation directs the Secretary of the Treasury to mint a series of national medals to commemorate the achievements of past U.S. Olympians. When adopted, my bill will accomplish two worthy objectives.

First, it will establish a unique way of giving national recognition to individual American athletes for their excellence in world amateur competition.

Second, revenue from the medal program will be an important source of income for the U.S. Olympic Committee (USOC) which relies entirely on private contributions for its funds.

Mr. President, I must stress that this program will not cost the taxpayers a penny. Quite to the contrary. The USOC

will purchase these medals from the Treasury for the cost of their production plus a fee of 25 percent. They will then be marketed throughout the United States, as well as abroad, with a return to the Olympic Committee of more than a $1 million profit. The money will then be put toward the committee's projected $26 million budget to prepare U.S. athletes for the 1980 Olympic games to be held in Moscow and Lake Placid, N.Y.

My proposal calls for the U.S. Mint to strike as many as 250,000 sets of medals, each set containing four different designs. In all, there would be a million medals produced. It is intended that 5,000 sets be made of gold, 45,000 of silver, and the remaining 200,000 of bronze.

The four medals in each set will honor the outstanding performance of a male athlete and a female athlete from the past 21 Summer Olympiads and a male athlete and a female athlete from the past 12 Winter Olympic Games. The legislation does not create an ongoing program but merely authorizes the manufacture and sale of national commemorative medals in conjunction with the 1980 Olympics.

Mr. President, for those who are not that familiar with the functions and responsibilities of the U.S. Olympic Committee, let me take a moment to explain. The USOC, under a Federal charter granted by Congress in 1950, has the job of selecting, equipping, transporting, and maintaining U.S. team members who compete in the quadrennial Olympic Games, as well as in the Pan American Games.

It has been without Government financial support of any kind, relying entirely on individual and corporate contributions for its resources.

In the past couple of years, the USOC has begun a vigorous effort to expand its activities, including the construction and operation of its first year-round training facilities in Squaw Valley, California and Colorado Springs, Colo. Similar facilities are also planned in three other parts of the country. By this expanded program, the USOC is bringing together amateur athletes of all ages from all regions for periodic training sessions and work with specialists in the field of sports medicine.

If we want to continue having good results with our athletic programs and continue to be a leader in world amateur sports, it is going to take an effort like this.

Obviously, Mr. President, it is also going to take money, and that's why my bill is important. It provides a dignified and innovative way to assist the U.S. Olympic Committee with its fundraising initiatives. And it does so without spending any Federal Government money. I seriously hope that our colleagues on the Banking Committee will give this bill prompt consideration so that the medal program can be well underway by 1980.

Mr. President, I am honored to be joined by 16 cosponsors in introducing this bill. They are Senators ANDERSON, HASKELL, HATCH, HATFIELD of Montana, HATHAWAY, HODGES, HUMPHREY, LAXALT, LEAHY, MATHIAS, PELL, RIEGLE, STEVENS, HANSEN and ROTH.

At this point in the RECORD, I ask unanimous consent that the text of my bill be printed along with a statement in support from the U.S. Olympic Committee.

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

S. 3427

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 "United States Olympic Commemorative Medals Act".

SEC. 2. In commemoration of former Olympic athletes who have best exemplified the spirit of discipline, self-sacrifice, courage, and fair play of the amateur athlete, and in recognition of the contribution of the Olympic athlete to national prestige and goodwill, the Secretary of the Treasury (hereinafter referred to as the "Secretary") shall strike and furnish to the United States Olympic Committee (hereinafter referred to as the "Committee") not more than 1,000,000 medals of four different designs. The medals shall be designed to commemorate female and male athletes who have participated in prior summer and winter Olympic Games, and shall be designed by the Committee with the concurrence of the Commission on Fine Arts. The decision of the Committee concerning the design of the medals shall be subject to the approval of the Secretary. The medals, which may be disposed of at a premium, shall be made and delivered at such times as may be required by the Committee in quantities of not less than 2,000 medals of each design, but in any event not more than 250,000 medals of each design. No medals shall be made after December 3, 1980.

SEC. 3. The Secretary shall cause the medals issued pursuant to this Act to be struck and issued in such various materials and in such quantities and size or sizes as he may determine after consultation with the Committee.

SEC. 4. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes (31 U.S.C. 368).

SEC. 5. The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses, plus twenty-five percent of the costs attributable to labor, use of machinery and overhead expenses. Security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for full payment of the cost of manufacture of the medals.

STATEMENT BY THE UNITED STATES OLYMPIC COMMITTEE RELATING TO THE PROPOSAL TO AUTHORIZE NATIONAL MEDALS RECOGNIZING THE POSITIVE AND LASTING VALUES OF UNITED STATES PARTICIPATION IN THE OLYMPIC GAMES, AND UNITED STATES ATHLETES OF THE PAST WHO HAVE BEST EXEMPLIFIED THE SPIRIT AND VALUE OF THE OLYMPIC GAMES

THE UNITED STATES OLYMPIC COMMITTEE

The United States Olympic Committee (USOC) is recognized by the International Olympic Committee as the official organization responsible for United States participation in the Olympic Games—as well as the Pan American Games. Operative since its original constitution and by-laws were adopted in 1921, the USOC was incorporated by Act of Congress in 1950 (Public Law 805) to carry out the purpose of developing creditable and sportsmanlike participation and representation of the United States in the Olympic and Pan American Games. To the long-etsablished responsibility for selecting, equipping, transporting and maintaining U.S. team members at the site of the Games, the USOC in 1977 established year-round training centers in Squaw Valley, California and Colorado Springs. More such training centers are expected to be activated in the near future in other parts of the country.

UNITED STATES INVOLVEMENT IN THE OLYMPIC PROGRAM

Since the founding of the modern Olympic Games in Athens (1896) more than 12,000 young American men and women have participated in the Summer and Winter Games. Through 1976, over 1,000 of them have won gold medals—symbolic of first place in this foremost international amateur sports competition.

The United States of America was itself host to the III Olympiad in St. Louis (1904) and the X Olympiad in Los Angeles (1932). In addition, this country has been the site of two Olympic Winter Games: Lake Placid in 1932 and Squaw Valley in 1960. Lake Placid will again be the Winter Games host in 1980, and Los Angeles is the sole declared candidate for the XXIII Olympiad in 1984.

THE PROPOSED OLYMPIC NATIONAL MEDALS

The USOC seeks Congressional authorization for the U.S. Mint to strike and furnish a set of national medals in 1979 and an additional set of medals in 1980. They would provide recognition of the positive and lasting values of Olympic Games participation and commemorate former United States athletes who have best exemplified the spirit of discipline, self-sacrifice, courage and fair play, thereby contributing to national prestige and goodwill. Each set would represent a female and male athlete from the Summer Olympic Games and a female and male athlete from the Winter Olympic Games. The athlete selected would be from among those who participated for the United States between 1896 and 1964 inclusive.

The medals would thus honor people whose superior deeds and achievements are representative of the finest of accomplishment and service to the Nation, in keeping with the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368). Up to 250,000 medals of any one design would be furnished without expense to the Government, in such size or sizes and of such materials as the Secretary of the Treasury and Director of the Mint may determine after consultation with the USOC.●

By Mr. WILLIAMS:

S. 3428. A bill to amend the Higher Education Act of 1965 to raise the limits of insured loans for undergraduate students, to allow lenders to use a Government service administered by the Commissioner of Education and the Secretary of the Treasury for the collection of such loans, and for other purposes; to the Committee on Human Resources.

CAPITAL AVAILABILITY FOR HIGHER EDUCATION AMENDMENTS OF 1978

● Mr. WILLIAMS. Mr. President, I am introducing today a measure which will improve and enhance the very foundation of the way the Federal Government assists students to pay for their college costs. This measure, the Capital Availability for Higher Education Amendments of 1978, places responsibility for assumption of college costs primarily on each student and amortizes the cost of higher education by payroll deductions calibrated to the student's income after graduation. It entrusts collection of defaulted loans to the Internal Revenue Service once payments to the private bank lender of a student loan have ceased. It thereby encourages the participation of banks reluctant to grant stu-

dent loans in light of high default rates and the burdens of administration of collection of defaulted loans. It also makes loans more attractive to college students from $2,500 to $3,500 in a year and from $7,500 to $10,500 in a lifetime under the guaranteed student loan program.

It should be emphasized that this measure encourages independence for families and fiscal responsibility for Government. By providing more realistic levels of loan support through its guarantees, the Federal Government frees middle and lower income families from the multiyear indebtedness that often prohibits college education for their children. By shifting the burden to the children themselves, at least in part, the prospective earnings of the student become the vehicle by means of which college expenses can be financed. And by assisting in the payroll deduction method when direct loan repayments are difficult, students are provided the most painless possible, regular method with which to discharge their indebtedness.

The fiscal responsibility of Government is enhanced by assuring lowest possible payments of the guarantees due the private lenders in situations of default. The payroll deduction plan maximizes the repayment from low earning or reluctant graduates and thereby would reduce Federal revenues spent in reimbursing creditor lenders who otherwise would turn to the Federal Treasury in exercising their guarantees under the GSL program.

The measure supports the participation of the private sector of the economy by providing low-cost incentives into the student loan market. The circulation of loans from private lenders is thereby enhanced and the result would be a healthier education loan market in general.

This is a simple plan, one calculated to relieve inordinate college burdens from families, and at the same time designed to make the guaranteed student loan program entirely efficient.

The bill would shift the collection responsibility from banks, which have found this administrative function troublesome, to the Internal Revenue Service, which has a proven record of performance for collecting money owed the Government. It would guarantee to the taxpayer a reduction of student loan defaults in a program which has served the public interest well since the mid-1960's and which has guaranteed $9.6 billion in loans.

The bill permits payback of student loans through the normal channels, that is, directly to the lending institutions, or through regular payroll deductions. When the payroll deduction method is utilized, loan repayments are calculated in terms of the former student's current income.

Mr. President, I believe this measure is much needed in order to restore confidence in our guaranteed student loan program and am hopeful that it will be viewed as an answer to the difficult question of equitable and adequate financing of the severe costs of higher education.

Mr. President, I now ask unanimous consent that the text of this bill along with an explanatory factsheet be included in the RECORD.

There being no objection, the bill and fact sheet were ordered to be printed in the RECORD, as follows:

S. 3428

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 "Capital Availability for Higher Education Amendments of 1978".

SEC. 2. That part B of title IV of the Higher Education Act of 1965 is amended—

(1) by striking out "$2,500" each place it appears in sections 425(a)(1), 428(b)(1)(A), 428(a)(1)(A), and 428(a)(2)(A), and inserting in lieu thereof "$3,500"; and

(2) by striking out "$7,500" each place it appears in sections 425(a)(2), 428(b)(1)(B), 428A(a)(1)(A), and 428A(a)(2)(A), and inserting in lieu thereof "$10,500".

SEC. 3. Part B of title IV of the Higher Education Act of 1965 is amended by adding after section 427 the following new section:

"COLLECTION OF LOANS BY THE FEDERAL GOVERNMENT

"SEC. 427A. (a)(1) An eligible lender may elect to have a loan made in accordance with this part collected by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") and the Commissioner, as provided in this section. Any such election shall be made not later than twelve weeks after the date on which the borrower ceases to carry at an eligible institution at least one-half of the normal full-time academic workload as determined by the institution, in a manner prescribed by the Commissioner.

"(2) The Commissioner shall promptly notify a borrower with respect to whom an election has been made by an eligible lender under paragraph (1) of such election and the corresponding repayment status and obligations of the borrower specified under this section.

"(b)(1) The Commissioner shall make an agreement with any eligible lender which makes an election under subsection (a) with respect to a loan, which—

"(A) provides that the lender will transmit to the Commissioner all documents necessary for the collection of the loan for which such election is made; and

"(B) provides that the Commissioner will make an annual payment to such lender of an amount equal to the amount computed under subsection (d), to the extent that amounts are appropriated from the fund established by subsection (f).

"(2) The Commissioner shall not make an agreement under paragraph (1) with a lender unless he is assured that such lender does not discriminate by pattern or practice against any particular class or category of students by requiring that, as a condition to the receipt of a loan, the student or his family maintains a business relationship with the lender.

"(c)(1) With respect to each loan for which an agreement is made under this section, the Commissioner shall—

"(A) transmit to the Secretary such information as may be required to enable the Secretary to carry out the duties established under paragraph (2);

"(B) make a payment not later than October 15 of each year to the lender of an amount equal to the amount computed under subsection (d), to the extent that amounts are appropriated from the fund established by subsection (f); and

"(C) take enforcement and collection measures in the case of a delinquent payment referred by the Secretary under paragraph (2)(C).

"(2) The Secretary shall—

"(A) make available, with any information and directions relating to the filing of a Federal income tax return, a table containing the amounts stated in subsection (e)(1) for which borrowers may be liable, and such other information as may be necessary for a borrower to compute the amount of his annual payment under such subsection;

"(B) keep records of the amounts repaid with respect to each loan for which an agreement is made under this section, and transmit to each borrower an annual statement of his loan balance; and

"(C) refer each case of a delinquent payment to the Commissioner for enforcement and collection.

"(d)(1) The amount of the annual payment made by the Commissioner to a lender under subsection (c)(1)(B) for a loan for which an agreement is made under this section shall be equal to the total amount which would have been repaid with respect to such loan by the borrower during the appropriate twelve-month period in the absence of an agreement under subsection (b)(1), except that such amount shall be—

"(A) increased by an amount equal to any excess of—

"(i) the amount of interest, computed at a yearly rate of 7 per centum, which would have been earned during the appropriate twelve-month period on amounts repaid if repaid by the borrower in the absence of an agreement under subsection (b)(1); over

"(ii) the amount of interest, computed at a yearly rate of 7 per centum, which will accrue on the amount of the annual payment under subsection (c)(1)(B) (without regard to the increase or decrease under this paragraph) between the time of such payment and the end of the appropriate twelve-month period; and

"(B) decreased by an amount equal to any excess of—

"(i) the amount determined under clause (ii) of subparagraph (A), over

"(ii) the amount determined under clause (i) of subparagraph (A).

"(2) For purposes of this section, the term 'appropriate twelve-month period' means, with respect to an annual payment under subsection (c)(1)(B), the twelve-month period in which such payment is made, which begins with the month in which the first periodic repayment would have been due from the borrower if no agreement had been made under this section.

"(e)(1) In any case in which an agreement is made with respect to a loan under subsection (b)(1), the student borrower shall be liable annually for an amount of principal, together with interest thereon, which is based upon the assessable income of such student, as follows:

"(A) if assessable income for a given taxable year is less than $8,500, such borrower shall be liable for no repayments as to principal, and shall be liable for not more than one-half of the interest accruing during such year;

"(B) if assessable income for a given taxable year is at least $8,500 but less than $13,500, the borrower shall be liable for payments for that year totaling 1 per centum of such income per each $2,000, or fraction thereof, of the total principal amount borrowed;

"(C) if assessable income for a given taxable year is at least $13,500 but less than $18,500, the borrower shall be liable for payments for that year totaling 1½ per centum of such income per each $2,000, or fraction thereof, of the total principal amount borrowed;

"(D) if assessable income for a given taxable year is at least $18,500 but less than $23,500, the borrower shall be liable for payments for that year totaling 2 per centum of

such income per each $2,000, or fraction thereof, of the total principal amount borrowed;

"(E) if assessable income for a given taxable year is at least $23,500 but less than $28,500, the borrower shall be liable for payments for that year totaling 2½ per centum of such income per each $2,000, or fraction thereof, of the total principal amount borrowed; and

"(F) if assessable income for a given taxable year is at least $28,500, the borrower shall be liable for payments for that year totaling 3 per centum of such income per $2,000, or fraction thereof, of the total principal amount borrowed.

"(2)(A) Each borrower making repayment of a loan pursuant to the method provided in this section shall make an annual payment equal to any excess of—

"(i) the amount for which such borrower is liable for the taxable year under paragraph (1), over.

"(ii) the amount withheld from such borrower's wages during the taxable year under paragraph (4).

"(B) Any payment due under subparagraph (A) shall be made, in a manner provided by the Secretary, not later than—

"(i) the date on or before which the borrower's Federal income tax return is required to be filed for the taxable year; or

"(ii) April 15 for the preceding calendar year, if such borrower is not required to file such a return.

"(3)(A) The Secretary shall refund to each borrower making repayment of a loan pursuant to the method provided in this section—

"(i) at such time and in such manner as the Secretary provides by regulation, an amount equal to any excess of the amount determined in clause (ii) of paragraph (2)(A) for a taxable year, over the amount determined in clause (i) of paragraph (2)(A) for such taxable year; and

"(ii) after a final payment is made by such borrower, an amount equal to any excess of the sum of payments over the total principal amount borrowed.

"(B) The Secretary shall notify a borrower, when a final payment is made by such borrower, that the borrower's obligations with respect to his loan have been fulfilled and that no further payments will be due.

"(C) For purposes of this pargaraph—

"(i) the term 'equal payment' means a payment under paragraph (2)(A) or an amount deducted and withheld under paragraph (4) which includes an amount of principal which, when added to all amounts of principal previously paid or deducted and withheld, equals or exceeds the total principal amount of the loan; and

"(ii) the term 'sum of payments' means the present value of the final payment and all amounts previously paid or deducted and withheld under this section, discounted by 7 per centum annually for the period of the loan, not counting any period for which an interest subsidy is paid for such loan under section 428.

"(4)(A) Each employer required by section 3402 of the Internal Revenue Code of 1954 to deduct and withhold amounts upon wages shall deduct and withhold upon the wages of borrowers making repayments under this section amounts determined on the basis of tables prescribed by the Secretary under subparagraph (C). Such deducting and withholding shall begin when the borrower first receives wages after the start of his repayment period. If an employer fails to deduct and withhold an amount in violation of this paragraph, and thereafter such amount is paid by the student borrower, such amount shall not be collected from such employer. Nothing in the preceding sentence shall relieve an employer from liability for any penalties for such failure to deduct and withhold.

"(B) The Secretary shall by regulation establish a method for a borrower required to make repayments under this section to report his repayment status and the date on which his repayment period begins to employers for purposes of the deduction and withholding requirement of subparagraph (A). Such a report shall be made—

"(i) immediately after the date on which the borrower ceases to carry at an eligible institution at least one-half the normal full-time academic workload as determined by the institution, if the borrower has been notified before such date of an election under subsection (a) and continues in employment held before such date;

"(ii) when the borrower is notified of such an election after such date if he is employed at such time; and

"(iii) whenever the borrower, after notification of such an election, accepts employment after such date.

Any borrower who willfully furnishes a false or fraudulent report required under this subparagraph or who willfully fails to furnish a report in the manner, at the time, and showing the information required by the Secretary under this subparagraph shall, for each such offense, upon conviction thereof, be subject to the same penalties as are applicable to the furnishing of fraudulent statements or the failure to make statements under section 7204 of the Internal Revenue Code of 1954.

"(C) The Secretary shall by regulation prescribe tables establishing amounts to be deducted and withheld under subparagraph (A). Such tables shall be designed so that the total of the amounts withheld from a borrower's wages during a taxable year will approximately equal the amount for which the borrower is liable for such taxable year under paragraph (1).

"(D) Each employer required to deduct and withhold amounts upon wages under subparagraph (A) shall make payment of such amounts to the Secretary, at such time and in such manner as the Secretary prescribes, and no such employer shall be liable to any other person for the amount of any such payment.

"(E) Amounts paid to the Secretary under subparagraph (D) shall be deposited in the fund established by subsection (f)(1).

"(F) Any employer who fails to deduct and withhold amounts upon wages in accordance with this paragraph shall be liable to the Secretary for a penalty of an amount equal to—

"(i) 5 per centum of any amounts which the employer negligently fails to deduct and withhold; and

"(ii) 50 per centum of any amounts which the employer willfully or fraudulently fails to deduct and withhold.

"(G) The Secretary shall promulgate such regulations as are necessary to administer this paragraph.

"(5) For purposes of this subsection—

"(A) the terms 'wages' means wages as defined by section 3401(a) of the Internal Revenue Code of 1954;

"(i) in the case of an unmarried individual, such individual's adjusted gross income;

"(ii) in the case of a married individual who does not file a joint return under section 6013 of the Internal Revenue Code of 1954—

"(I) if such individual's adjusted gross income equals or exceeds the adjusted gross income of such individual's spouse, the adjusted gross income of such individual; and

"(II) if such individual's adjusted gross income is less than the adjusted gross income of such individual's spouse, one-half the combined adjusted gross incomes of such individual and such individual's spouse;

"(iii) in the case of a married individual who files a joint return under section 6013 of the Internal Revenue Code of 1954, one-half the total adjusted gross income of the individual and his or her spouse; and

"(iv) in the case of an individual not required to file a Federal income tax return, an amount equivalent to amounts determined under clauses (i), (ii), and (iii), as established by the Secretary in regulations;

"(C) the term 'adjusted gross income' means adjusted gross income as defined by section 62 of the Internal Revenue Code of 1954;

"(D) marital status shall be determined in the same manner as marital status is determined under section 143 of the Internal Revenue Code of 1954;

"(E) the term 'taxable year' means—

"(i) a taxable year as defined by section 441(b) of the Internal Revenue Code of 1954, or a calendar year in the case of a borrower who is not required to file a Federal income tax return for a taxable year, which begins after the start of the repayment period; and

"(ii) that part of a taxable year as defined by such section 441(b), or a calendar year, as the case may be, which follows the start of the repayment period; and

"(F) the term 'repayment period' means the period referred to in section 427(a)(2)(B).

"(f)(1) There is created on the books of the Treasury of the United States a trust fund to be known as the Guaranteed Student Loan Fund (hereinafter in this section referred to as the "fund") which shall be administered by the Commissioner.

"(2) The fund shall consist of amounts deposited in the fund from—

"(A) amounts withheld from wages, as provided in subsection (e)(4)(E);

"(B) payments made by student borrowers under subsection (e)(2)(A); and

"(C) appropriations made pursuant to subsection (g).

"(3) Moneys in the fund may be used only for the purpose of making the payments to eligible lenders provided for in agreements made under subsection (b)(1), and for the purpose of making refunds to borrowers under subsection (e)(3)(A). Moneys from the fund shall be available for such purposes only when appropriated therefor, and such appropriations shall be made without fiscal year limitation.

"(g) There are authorized to be appropriated to the fund such amounts as may be necessary from time to time to make the payments required to be made by the Commissioner under subsection (c)(1)(E).

"(h) All provisions of this part not inconsistent with this section shall apply to loans to which this section applies.".

SEC. 4. (a) Section 427(a)(2) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (H);

(2) by striking out the period at the end of subparagraph (I) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(J) provides that the lender may elect (not later than twelve weeks after the date on which the borrower ceases to carry at an eligible institution at least one-half of the normal full-time academic workload as determined by the institution) to have the loan collected by the Federal Government pursuant to an agreement with the Commissioner under section 427A(b)(1), and that the repayment by the borrower of a loan for which such an agreement is made shall be made in accordance with section 427A(e).".

(b) Section 428(b)(1) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (O);

(2) by striking out the period at the end

of subparagraph (P) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(Q) provides that the lender may elect (not later than 12 weeks after the date on which the borrower ceases to carry at an eligible institution at least one-half of the normal full-time academic workload as determined by the institution) to have the loan collected by the Federal Government pursuant to an agreement with the Commissioner under section 427A(b)(1), and that the repayment by the borrower of a loan for which such an agreement is made shall be made in accordance with section 427A(e).".

SEC. 5. (a) Section 427(c) of such Act is amended by striking out "The" and inserting in lieu thereof "Except in the case of a loan the repayment of which is made pursuant to an agreement under section 427A(b)(1), the".

(b) Section 428(b)(1)(L) of such Act is amended by inserting ", except in the case of a loan the repayment of which is made pursuant to an agreement made under section 427A(b)(1)," after "provides that".

SEC. 6. (a) Section 427(a)(2)(B) of such Act is amended—

(1) by inserting "(except in the case of a loan the repayment of which is made pursuant to an agreement made under section 427A(b)(1))" after "ten years"; and

(2) in clause (ii) by inserting "(except in the case of a loan the repayment of which is made pursuant to an agreement made under section 427A(b)(1)" after "fifteen years".

(b) Section 428(b)(1) of such Act is amended——

(1) in subparagraph (D)(ii), by inserting "and except in the case of a loan the repayment of which is made pursuant to an agreement made under section 427A(b)(1)," after "paragraph,"; and

(2) in subparagraph (E), by inserting "(except in the case of a loan the repayment of which is made pursuant to an agreement made under section 427A(b)(1))" after "ten years".

SEC. 7. Section 438(b) of such Act is amended—

(1) in paragraph (1) by striking out "A" and inserting in lieu thereof "Except as may be otherwise provided in paragraph (5), a";

(2) in paragraph (2)(A), by striking out "paragraph (4)" and inserting in lieu thereof "paragraphs (4) and (5)";

(3) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7) respectively; and

(4) by inserting after paragraph (4) the following new paragraph:

"(5) The special allowance computed according to paragraph (2)(A) shall be reduced by one-half per centum with respect to all eligible loans held by a lender for which agreements have been made under section 427A(b)(1). The Commissioner may provide by regulation for the annual payment of special allowances with respect to such loans in lieu of the quarterly payments prescribed by paragraph (1).".

SEC. 8. Part B of title IV of such Act is amended by adding at the end thereof the following new section:

"ADVISORY PANEL

"SEC. 440A. (a) There is hereby established an advisory panel (hereinafter in this section referred to as the 'Panel') which shall be composed of the following eleven members:

"(1) two individuals who administer the National Direct Student Loan program at institutions of higher education;

"(2) two representatives of institutions of higher education, which participate in a loan program under this part;

"(3) one representative of an institution of higher education which does not participate in a loan program under this part;

"(4) two academics familiar with student assistance programs;

"(5) one representative each from the Department of Health, Education, and Welfare, and the Department of the Treasury;

"(6) one former student borrower of a loan made or insured under this part, or (one representative of a student organization; and

"(7) one representative from the Student Loan Marketing Association.

"(b) The members of the Panel shall be appointed by the Speaker and the minority leader of the House of Representatives, and the majority and minority leaders of the Senate. Appointment of such a member shall be made only with the approval of three of such appointing individuals.

"(c) The Panel shall—

"(1) review the adequacy of the special allowance under section 438 to draw sufficient capital into loan programs under this part, and consider an incremental special allowance which is graduated to provide additional incentives for higher loan volumes handled by an eligible institution;

"(2) review the feasibility instituting a student loan bank of last resort, with attention to the problems of avoiding substitution for currently offered loans;

"(3) conisder such other questions as it deems appropriate.

"(d) The Panel shall report to Congress not later than one year after the date of the enactment of this section on its findings with respect to the items reviewed and considered under subsection (c).".

THE CAPITAL AVAILABILITY FOR HIGHER EDUCATION AMENDMENTS OF 1978

FACT SHEET

The guaranteed student loan program

Financial institutions participating in the Guaranteed Student Loan (GSL) program are the single best source for directing private capital to higher education. The GSL Program leverages Federal expenditures about four times over since it relies chiefly on privately raised capital. The costs to the Federal government result from defaults, deaths of borrowers, interest subsidies, payback deferrals, and special interest allowances to lenders. Moreover, as a loan for which the borrower is responsible, the choice of a more expensive education rests with students who know they will ultimately have to bear the full cost of their decisions.

The GSL Program, however, suffers from several problems that have kept it from fulfilling its full promise:

Geographical Unavailability.—Institutions choosing not to participate do so in geographic patterns. Availability is good in the Northeast for historic reasons and because of supportive State laws, but very poor on the east coast and in California where one bank holds more than half the outstanding loans. This is a deficiency in a National program.

Case-to-case Capriciousness.—Frequently small institutions discriminate between those borrowers with a deposit relationship and likely to remain customers, and those who don't have such a relationship for a year before applying. Banks view GSL's as a "consumer giveaway" similar to blenders or alarm clocks. Nondiscrimination clauses in current law are not effective.

Loan Ceilings Too Low.—Currently, under law, students may borrow only $2,500 a year even when they have access to a lender, and this is frequently insufficient to pick up the gap in financing they need to choose the education of their choice. A ceiling of $3,500 would, in virtually all instances, assure full financing when supplemented by other resources usually available.

Aversity to poor risk loans.—"Poor risks" include the lions share of most needy students, and most of them would, in fact, pay off the loan if given a chance. This is the very group for which policy should be most accommodating, and for which Federal guarantee should, in principle, most leverage Federal contributions. But three problems confront lending institutions:

(1) Federal lending origination standards measure performance by defaults, so there is a great incentive to "cream" the best borrowers; in fact, many defaults are accounted for by financing substandard educations-mail order degree factories and so forth;

(2) The inflexible loan servicing systems banks are willing to institute, require a steady stream of monthly fixed payments regardless of income; more flexibility before default would sustain the borrower's credit rating and increase the ease of collection;

(3) Servicing costs associated with "poor risk" borrowers tend to be harder to keep track of. In general, the administrative problems of managing the collection system of long-term, unsecured loans are burdensome and much nonparticipation in the Program is attributable to this.

Shortage of funds.—The GSL program has been lending in excess of $1 billion annually. This is not enough to pick up the slack in financing needs. The Student Loan Marketing Association (Sallie Mae), a quasi-public federally chartered market similar to Fannie Mae, has not adequately funnelled capital to relieve them of holding the loan paper themselves. For example, out of $6 billion of loans outstanding. Sallie Mae only owns or has financed about $600 million, a much smaller percentage than secondary markets provide for home mortgages.

Possible too low return for lenders.—Lenders supply funds to the GSL Program, in the marginal case, only if the return is competitive with other uses of capital. But under the current "special allowance" formula (which subsidizes the interest return to the bank during the collection period based on short-term market interest rates for government securities), banks may not be receiving a high enough return to include as many marginal cases as would otherwise be desirable.

THE CAPITAL AVAILABILITY FOR HIGHER EDUCATION AMENDMENT OF 1978

This program of immediate changes in the GSL Program is intended to take significant steps toward ameliorating the above problems, and otherwise enhance capital availability. It is expected that it will be very appealing to the Nation's banks, as well as to students.

I. Increase Borrowing Ceilings to $3,500 from $2,500.—This should broaden the choice of affordable institutions of higher education at once for a substantial group of students from middle income families.

II. Permit Participating GSL Lending Institutions to Purchase Loan Collection Service from the Federal Government.—While loan origination practices should be carefully monitored to assure the government agrees to collect only eligible loans, this would relieve the banks of substantial administrative and managerial burdens they are ill-equipped to handle—a significant cause of patchy program participation nationwide. Additionally, direct payments to banks from the government would not be subject to overly rigid "performance" criteria relating to default rates, since the government would have responsibility for collecting the loan. Further, a firm non-discrimination standard will be enforced for banks purchasing the collection service. Banks relieved of the added costs associated with "poor risks" will again consider this group as qualified borrowers. The government will then pay obligations directly to banks as due. The collection service will cost banks one half percent of the interest subsidy the government pays during the repayment period. The savings on this subsidy—called the "special allowance" will help finance any additional cost to the IRS.

III. The Government will Collect the Loans through the Internal Revenue System.—Collections will be through the income tax to which all citizens are subject, and be based on the student borrower's ability to pay as measured by his or her adjusted gross income. Borrowers will make annual installments until they have repaid the principle and 7 percent interest on the outstanding balances—the current rate charged for GSL's. The Internal Revenue Service shall provide simple tables to facilitate computations, and take other administrative steps to ease the responsibility of the borrower. This method of collection benefits from economies of scale since the collection system is already in place, and the IRS endeavors to keep track of all taxpayers already. The flexibility permitted by the system would increase the likelihood of faithful paybacks.

IV. Appointment of Blue Ribbon Panel to Report to Congress Within the Year.—A Blue Ribbon Panel composed of two College administrators dealing with the National Defense Student Loan Program, two representatives of participating GSL institutions, one from a non-participating institution, two academics familiar with the field of student assistance, the appropriate assistance secretaries of HEW and Treasury, a former student GSL borrower or representative of a student organization, and an expert from Sallie Mae. The panel will be instructed to review:

(1) The adequacy of the special allowance formula to draw sufficient capital into the program, with consideration of an "incremental special allowance" graduated to provide additional incentives the higher the loan volume handled by an institution;

(2) The feasibility of instituting a Student Loan Bank of Last Resort, with attention to the problems of avoiding substitution for currently offered loans; and

(3) Other major questions as they shall identify.●

By Mr. JACKSON (for himself and Mr. HANSEN) (by request):

S. 3429. A bill to designate the Great Bear Wilderness, Flathead National Forest, and enlarge the Bob Marshall Wilderness, Flathead, and Lewis and Clark National Forests, State of Montana; to the Committee on Energy and Natural Resources.

GREAT BEAR WILDERNESS

● Mr. JACKSON. Mr. President, I am introducing today by request, a bill to designate a Great Bear Wilderness in the State of Montana. The proposed wilderness would total some 360,000 acres of national forest land. This administration proposal has been submitted to the Congress pursuant to Public Law 95–557 which directed the Department of Agriculture to study this area for possible designation. On the basis of that study, the administration concluded that almost the entire study area was, indeed, suitable for wilderness designation.

Mr. President, the late Senator Metcalf loved this area, and wilderness designation for this portion of Montana was certainly one of his highest legislative priorities. I am pleased that the administration has come forward with a strong wilderness recommendation for this area.

I ask unanimous consent that the bill and the administration's letter of transmittal as well as a memorandum from the Department's Office of General Counsel to the Chief of the Forest Service be included in the RECORD.

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

S. 3429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that, in furtherance of the purposes of the Wilderness Act of 1964 (78 Stat. 890), the area generally depicted on a map entitled "Great Bear Wilderness (Proposed)—Bob Marshall Wilderness Addition," dated February 1978 which is on file and available for public inspection in the Office of the Chief, Forest Service, U.S. Department of Agriculture, is hereby designated as the Great Bear Wilderness (293,571 acres) within and as part of the Flathead National Forest, Montana, and enlarges the Bob Marshall Wilderness with an area comprising approximately 66,300 acres within and as a part of the Lewis and Clark National Forest, Montana.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Great Bear Wilderness and Bob Marshall Wilderness Addition with the Energy and Natural Resources Committee, United States Senate and the Interior and Insular Affairs Committee, House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however,* that correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The Great Bear Wilderness and Bob Marshall Addition shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., August 11, 1978.

The PRESIDENT OF THE SENATE,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: In accordance with P.L. 94–557 (90 Stat. 2635), the Department of Agriculture reviewed, as to its suitability or nonsuitability for preservation as wilderness, the Great Bear Wilderness Study Area in the Flathead and the Lewis and Clark National Forests in Montana. Potential utility corridors within or contiguous to the study area also were reviewed, as directed. Public hearings were held in Montana and over 400 responses from 561 individuals, organizations, and agencies were received. The study report, a final environmental statement, and a draft bill reflecting our recommendations are enclosed. On behalf of the President and at his request, I am transmitting directly to you our recommendations and the supporting documents.

We recommend designation of a Great Bear Wilderness of 293,571 acres on the Flathead National Forest and an addition to the existing Bob Marshall Wilderness of 66,300 acres on the Lewis and Clark National Forest. This would represent a total addition to the National Wilderness Preservation System of 359,871 acres. The study determined that 26,660 acres are not suitable for wilderness and that a utility corridor through the proposed wilderness should not be recommended at this time.

The Great Bear Wilderness Study Area, as depicted on the map cited in P.L. 94–557, was determined to contain 371,160 acres. In addition, 15,382 acres of contiguous undeveloped areas were also reviewed, making a total study area of 386,560 acres. The study area lies astride the Continental Divide. It adjoins the north and east boundaries of the Bob Marshall Wilderness (949,356 acres). The Glacier National Park, containing a proposed wilderness of 928,000 acres, lies just to the north, across a developed transportation corridor.

The study area is characterized by high, rugged topography and a primitive environment essentially devoid of man's influence. A wide variety of fish and wildlife, including the threatened grizzly bear and endangered Northern Rocky Mountain wolf, are present. Mineral studies indicate a moderate potential for submarginal copper and silver resources, and small potential for submarginal coal. Due to the high elevation and history of fire occurrence, much of the area contains nonforest and unproductive forest land. The productive forest land, of about 120,460 acres, has a potential annual timber yield of 17.5 million board feet which has been in a "deferred" status since 1970 pending wilderness and wild and scenic river consideration.

The study area has very good potential for discovery of natural gas and somewhat lesser potential for oil production. The area contains numerous potential hydrocarbon reservoir and source rocks. Structural traps for the accumulation of gas in the subsurface cannot be determined without seismic surveys and possible drill holes, but structural traps can be inferred from a comparison of the surface geology of the study area with that in gas producing areas to the north in Alberta, Canada. The study area contains geologic structures and stratigraphic history similar to that in Alberta which contain major reserves of gas and minor amounts of oil. The Administration concludes, however, that the wilderness values of the area outweigh the gas and oil potentials at this time, and should be given the priority.

Future need for east-west utility corridors from eastern Montana-Wyoming coalfields to the user-load-centers in Washington and Oregon was recognized. The Forest Service and Bonneville Power Administration (BPA) jointly reviewed one alternative corridor through the study area and one that would circumvent the study area. Although it was concluded that at least seven major east-west utility corrdiors between Canada and northern Utah will be needed by year 2020 to supply projected coal-based energy requirement, thorough siting studies remain to be completed and comparative analysis of all possible corridors is still needed to determine specific advantages and disadvantages of each. However, the Great Bear Area would provide the most direct route between the eastern Montana coal fields and major load centers in northwestern Washington. Accordingly, the study concluded that future designation of an energy corridor through the area would probably be desirable from the standpoint of energy policy within the next 50 years. A summary of the Forest Service-BPA study is contained in the enclosed study report.

On the basis of that study, the Department concluded that in the absence of additional evidence of immediate needs it would be premature at this time to establish a utility corridor in the proposed wilderness. This view was strongly supported by public response and especially by the Montana Department of Natural Resources. Should further study and development confirm that a utility corridor through the Great Bear proposed wilderness is in the national interest, the President has the authority in Section 4(d)(4) of the Wilderness Act of 1964, to create the corridor. Copy of an opinion by our Office of General Counsel to this effect is enclosed. In the meantime, we expect that the Department of Energy will continue its efforts to carefully assess long-range energy corridor needs in this region.

Wilderness designation is not recommended for 26,600 acres. Of this, 23,160 acres reflect the impact of timber harvest and ac-

cess activity and contain numerous, small exclusions for better wilderness boundary definition. In addition, one contiguous area of 3,500 acres in not recommended for wilderness because of conflict with avalanche control on the Teton Pass Ski Area.

The major costs associated with the Department's recommendation are in values foregone or limited by constraints on such activities as timber harvest, natural gas exploration and development, and development of mechanized recreational opportunities. All lands in the study area are federally-owned except 28.69 acres of private land existing in two patented mining claims no longer being mined. Acquisition by purchase or exchange may prove desirable.

We believe the proposed Great Bear Wilderness meets the test of suitability, availability, need and manageability for such designation. Its suitability for wilderness is comparable to that for the well-known Bob Marshall and Selway-Bitterroot Wildernesses. It will be a valuable addition to the National Wilderness Preservation System.

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

Sincerely,

BOB BERGLAND,
Secretary.

Enclosures.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 28, 1978.

Subject: Section 4(d)(4), Wilderness Act (16 U.S.C. 1133(d)(4)).

To: John R. McGuire, Chief, Forest Service,

This is in response to your memorandum of July 26, 1978, requesting our opinion as to the scope and applicability of Section 4(d)(4) of the Wilderness Act, 16 U.S.C. 1133(d)(4). Of particular interest is the applicability of this section to facilities for the transmission of electric power through designated utility corridors in the Great Bear area of Montana which is proposed for wilderness classification. Relevant portions of the Act state:

"(4) Within wilderness areas in the national forests . . . (1) the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting for water resources, the establishment and maintenance of reservoirs, water-conservation works, power projects, tranmission lines, and other facilities needed in the public interest, including the road construction and maintenance essential to development and use thereof, upon his determination that such use or uses in the specific area will better serve the interests of the United States and the people thereof than will its denial." . . . 16 U.S.C. 1133(d)(4).

This section enumerates a series of projects for which the President may authorize the "establishment and maintenance" within the boundaries of a designated wilderness area. This series may be subject to various interpretations.

The doctrine of noscitur a sociis may be applied to interpret this section. Under this doctrine, a word is interpreted according to its accompanying words. Thus words in a series of general meaning may be colored by the meaning of more specific words. Thus the terms "power projects, transmission lines" may be considered to relate to the previously enumerated water resource projects. However, it is our opinion that these terms are unambiguous and sufficiently descriptive by themselves in defining all forms of power projects and associated transmission lines. There is no more specific meaning that need be applied, and the doctrine is therefore inapplicable.

The phrase "and other facilities needed in the public interest" is likewise subject to various interpretations. An analogous doctrine of interpretation to that stated above is ejusdem generis whereby when general words follow an enumeration of specific things, such general words are construed as applying only to things of the same general kind as those specifically mentioned. In this situation, "other facilities" could likewise be construed as applying to water or power projects. Such a narrow construction would still apply "other facilities" to a wide range of projects including various forms of power transmission lines which may be constructed in a utility corridor. However, we interpret "other facilities" as being very broad and limited only by the phrase "needed in the public interest." Thus, any type of project which the President deems in the public interest may come within the purview of this section.

The legislative history supports this interpretation. The same or similar language of Section 4(d)(4) was contained in both the House and Senate versions of the Act. The Congress saw the issue as one of competitive land uses for wilderness areas:

"Serious consideration has been given to the various competitive uses. Provisions have been included in the bill for future modification in the wilderness system, or in regulations governing specific areas, if it is the finding of the President of the United States that a nonwilderness use is in the greater public interest than is wilderness use in some specific area. Congress itself can at any time enact legislation making changes." [1]

The object of this provision is to allow the President to override wilderness designation in those extraordinary circumstances where, in his opinion, construction of a project is more in the public interest than retention of the wilderness character of a site. Thus the test of the application of Section 4(d)(4) to a project is whether such a project is "needed in the public interest," and not whether it is of a particular type.

Section 4(d)(4) makes provisions for regulations to guide in making such determinations. Such regulations have not been promulgated by the Departments of Agriculture or of the Interior. To date, the President has never authorized a project under this section.

In conclusion, if the President determines it to be in the public interest to establish a facility for the transmission of power in a Great Bear Wilderness area, such a facility can be permitted under the provisions of Section 4(d)(4) of the Wilderness Act.

JOSEPH D. CUMMINGS,
Acting Director,
Natural Resources Division.

● Mr. PAUL G. HATFIELD. Mr. President, I am pleased to note that Senator JACKSON, as chairman of the Senate Committee on Energy and Natural Resources, and Senator HANSEN, as the ranking minority member of that committee, have today introduced, by request, a bill to designate the Great Bear Wilderness Area in northwestern Montana.

The proposal conforms to the U.S. Forest Service recommendation. It designates as wilderness some 360,000 acres of pristine country lying astride the Continental Divide and linking Glacier National Park to the north with the Bob Marshall Wilderness to the south.

Enactment of this bill would culminate more than two decades of effort to protect one of the largest basically unroaded ecosystems left in the United States. Chief architect of the effort was our late colleague, Senator Lee Metcalf. He felt deeply about preserving the area. Passage of a Great Bear Wilderness Act would be a fitting tribute to his dream. However, Lee would be the first to insist that the area's fate be decided on its merits and not on sentiment. By any objective assessment, the Great Bear meets the test of wilderness.

The Great Bear is stunning mountain country. By providing a link to Glacier Park and the Bob Marshall Wilderness, it will assure protection of a vast ecosystem in which large animals, such as the grizzly bear, are able to conduct daily movements and seasonal migrations without interference from man. The importance of the area as a habitat bridge for free roaming wildlife, and as the headwaters of critical spawning streams for the cutthroat and Dolly Varden trout, cannot be overemphasized. The cutthroat is a threatened species in much of its former habitat. Establishment of the Great Bear Wilderness would provide enduring protection of its spawning streams and would guarantee its survival in the Flathead River system.

The bill represents the final Forest Service recomendations after nearly 2 years of Forest Service study. The study was marked with controversy, as might be expected of an area of this magnitude. I do not wish to understate the items in dispute.

The Congress passed the Great Bear Wilderness Study Act in the fall of 1976. The act estimated the study area to encompass 393,000 acres. That figure proved to be inflated. The Forest Service later determined that the study area contained 371,160 acres. The agency then added 15,382 contiguous acres, making a total study area of 386,542.

The Forest Service, after conducting the required public hearings in Montana, made an initial recommendation of 299,000 acres, or 97,000 fewer than those studied. Field personnel urged deletion of 6,240 acres to accommodate a proposed Bonneville Power Administration powerline corridor, some 70,000 acres containing what the U.S. Geological Survey terms "moderate to high potential" for natural gas, and the remaining acreage to render the area more "manageable" as wilderness.

As the recommendations worked their way up through the Forest Service hierarchy, most of the cuts were restored, including those involving the power corridor and the natural gas area. The ultimate figure of 359,871 acres recommended by the Chief of the Forest Service represents a cut of 26,871 acres below that actually studied. The final figure thus represents a compromise, although admittedly on the high side.

The Senate Energy and Natural Resources Committee will hold hearings on this bill in Montana and will receive testimony from the people of Montana at that time.

Mr. President, there have been suggestions that this proposed wilderness

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[1] Senate Committee on Interior and Insular Affairs, 88th Cong. 2d Sess., Report on S. 4 Estabishing a National Wilderness Preservation System (Comm. Report No. 109), p. 12.

area be named after Senator Lee Metcalf, or that his name be otherwise associated with the legislation. This issue has been discussed thoroughly by Lee's family and supporters of the Great Bear. A firm consensus has emerged: Do what Lee would have done and carry through with the descriptive title which he accepted. Neither the bill nor the area should bear the Metcalf name, although the administering agency could, after designation, make note on its descriptive literature or in other suitable fashion of the historic contribution made by Senator Lee Metcalf.

Finally, reference should be made to the Forest Service recommendation that only the larger, or western portion, of the study area be named the Great Bear. For administrative reasons, the eastern portion would be added to the Bob Marshall Wilderness.

Again, with the concurrence of the supporters of the Great Bear, the bill follows the recommendations of the Forest Service. Technically, the Great Bear Wilderness, lying wholly within the Flathead National Forest, will total only 293,571 acres. The smaller, or eastern portion, lying within the Lewis and Clerk National Forest, comprises 66,300 acres. However, for the sake of simplicity, the single name is applied to both areas in this statement. The goal of the legislation is, after all, preservation.●

By Mr. WILLIAMS (for himself and Mr. CRANSTON):

S.J. Res. 152. A joint resolution authorizing and requesting the President to issue a proclamation designating the month of June as "National First Aid Month"; to the Committee on the Judiciary.

NATIONAL FIRST AID MONTH

● Mr. WILLIAMS. Mr. President, I am pleased to introduce a joint resolution to declare the month of June as National First Aid Month. The purpose of this observance is to increase public awareness and knowledge of basic first aid and emergency procedures.

Statistics compiled by the National Safety Council and the National Center for Health Statistics reveal much about the health of Americans.

Accidental injury is the leading cause of death among Americans aged 1 to 38. It is the fourth leading cause of death among all Americans and claims more lives among youths aged 15 to 24 than all other causes combined.

In 1976, chronic and acute illnesses or injuries resulted in an estimated 18.2 days of restricted activity or disability per person. Restricted-activity ranged from about 11 days for children under 17 years of age to approximately 40 days for persons 65 years of age or over.

Motor vehicle accidents are the major single cause of death and disability in this country, however, drownings, fires, poisoning, and firearms also inflict a heavy toll. The cost of these accidents to the individual, his family, and our society is enormous. Accidents in which deaths or disabling injuries occurred, together with noninjury motor vehicle accidents and fires, cost our Nation $52.8 billion in 1976. Included in this total was $31.7 billion for wage losses, medical expenses, and insurance administrative costs.

In 1973, the Congress recognized that disability, loss of health, and death from accidents, as well as from sudden illnesses such as heart failure, could be substantially reduced with an improved emergency medical services system. To help communities meet emergency situations immediately and effectively, Congress enacted the Emergency Medical Services Systems Act. Through this act, communities have been able to correct service deficiencies irrespective of the relative wealth or urban-rural nature of their local areas.

Despite the expansion of professional emergency medical services in this country, there is a need to assure that each American has an awareness and knowledge of basic first aid and emergency procedures. When an accident occurs, use of basic first aid techniques can mitigate the need for professional medical treatment. In life threatening situations, the use of relatively simple procedures, until professional medical care can be obtained, can often make the crucial difference between life or death.

Many voluntary organizations diligently work to teach people about basic first aid and emergency medical procedures. The resolution I am introducing today would focus concerted attention on the need for every American to obtain information about these procedures. Through this national effort, we can protect the health of countless Americans.●

By Mr. ANDERSON:

S.J. Res. 153. A joint resolution authorizing the President to proclaim the third week in June 1979 as "National Veterans' Hospital Week"; to the Committee on the Judiciary.

NATIONAL VETERANS' HOSPITAL WEEK

● Mr. ANDERSON. Mr. President, I am today introducing a joint resolution authorizing the President to designate the third week in June as "National Veterans' Hospital Week."

The purpose of a veterans' hospital is an important one: Providing a wide variety of health-related services to those men and women who served our Nation in the armed services.

But oftentimes the facilities for achieving this goal are less than adequate. In Minnesota, to cite one example, the veterans' hospital in Minnesota is forced in an outdated and undersized physical plant. There is overcrowding of patients, and the conditions of the buildings, even disregarding their small sizes, are pathetic.

Yet in spite of this, the Minneapolis Veterans' Hospital has consistently managed to provide excellent medical care. The staff and volunteer workers at the hospital have a dedication that assures that the patients are very well taken care of.

I am hopeful that this resolution will bring the special needs of veterans' hospitals to the attention of the public.

A House version of this resolution has been introduced, and has gotten over 60 cosponsors so far. I hope that this resolution will meet with a similarly favorable reception in the Senate.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

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

S.J. RES. 153

Whereas American veterans have played an essential role in this country all throughout its history;

Whereas there are presently nearly thirty million veterans living in this country;

Whereas there are one hundred and seventy-two veterans' hospitals in this country providing essential medical care to those who have served in our Armed Forces;

Whereas one million three hundred and ninety-two thousand four hundred and forty veterans will receive care and treatment at veterans' hospitals in this country during 1978;

Whereas this represents a 107 per centum increase over the number who received treatment during 1968;

Whereas seventeen million seven hundred and forty-five thousand veterans will receive care and treatment as outpatients at veterans' hospitals in this country during 1978;

Whereas this represents a 170 per centum increase over the number who received treatment during 1968; and

Whereas veterans' hospitals continue to play an increasingly important role in providing for the health and well-being of the veterans of this country: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the third week of June 1979 as "National Veterans' Hospital Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 2858

At the request of Mr. MELCHER, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 2858, a bill to amend section 2040 of the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining whether that spouse furnished adequate consideration for jointly held property for purposes of qualifying for an exclusion from the Federal estate tax.

S. 2860

At the request of Mr. MELCHER, the Senator from Alabama (Mrs. ALLEN) was added as a cosponsor of S. 2860, a bill to provide for a research, development, and demonstration program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes.

S. 3003

At the request of Mr. MELCHER, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of S. 3003, a bill to amend the Rural Electrification Act of 1936, as amended, to provide for the financing of telecommunication facilities for cable television and other broadband services to small towns and rural areas.

S. 3250

At the request of Mr. MELCHER, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 3250, a bill to amend the Internal Revenue Code of 1954 to make the investment tax credit applicable to certain agricultural buildings and their structural components.

S. 3359

At the request of Mr. CHILES, the Senator from Montana (Mr. MELCHER) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 3359, a bill to amend the act commonly known as the Miller Act to raise the dollar amount of contracts to which such act applied from $2,000 to $25,000.

S. 3388

At the request of Mr. WALLOP, the Senator from Ohio (Mr. METZENBAUM), the Senator from Montana (Mr. MELCHER), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kentucky (Mr. FORD), and the Senator from Arkansas (Mr. HODGES) were added as cosponsors of S. 3388, a bill to amend the Internal Revenue Code to exclude from gross income payments made under certain cost sharing programs.

SENATE JOINT RESOLUTION 134

At the request of Mr. BAYH, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of Senate Joint Resolution 134, extending the deadline for ratification of the equal rights amendment.

AMENDMENT NO. 3436

At the request of Mr. HAYAKAWA, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of amendment No. 3436 proposed to S. 1753, the Elementary and Secondary Education Act.

AMENDMENTS SUBMITTED FOR PRINTING

DISTRICT OF COLUMBIA REPRESENTATION—HOUSE JOINT RESOLUTION 554

AMENDMENTS NOS. 3480 THROUGH 3504

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

Mr. HATCH submitted 25 amendments intended to be proposed by him to House Joint Resolution 554, a joint resolution proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress.

AMENDMENT NO. 3505

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

Mr. SCHMITT submitted an amendment intended to be proposed by him to House Joint Resolution 554, supra.

ANTITRUST ENFORCEMENT ACT OF 1978—S. 1874

AMENDMENT NO. 3506

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

Mr. EAGLETON submitted an amendment intended to be proposed by him to S. 1874, a bill to restore effective enforcement of the antitrust laws.

● Mr. EAGLETON. Mr. President, I am submitting an amendment today to S. 1874, a bill to amend section 4 of the Clayton Act to permit consumers, businesses and governments injured by antitrust violations to recover whether or not they have dealt directly with the antitrust violator. My amendment is a very narrow one, dealing only with section 4 of the bill, which makes the bill applicable to any action under sections 4, 4A, or 4C(a)(1) of the Clayton Act which was pending on June 9, 1977, or filed thereafter. This retroactive date—June 9, 1977—is the date on which the Supreme Court handed down its decision in Illinois Brick Co. against Illinois, which case the bill seeks to overrule. My amendment would make the bill applicable to cases commenced on, or after, the date of the bill's enactment.

I have serious doubts to the constitutionality of such a retroactive application and, in any event, I believe it is an unwise policy choice. Testimony by several respected legal scholars and antitrust experts before the Senate Judiciary Committee revealed at least two serious constitutional objections to the retroactive application of S. 1874. Because the bill would make the so-called pass-on defense available to defendants, direct-purchaser plaintiffs whose suits were pending on the date of the Illinois Brick decision or who filed cases thereafter and have continued their cases in reliance on that decision, will be in danger of having their claims drastically reduced or their suits dismissed. The hundreds of thousands of dollars spent in preparation for litigation and the punitive damages at stake will, in many cases, go down the drain as a direct result of retroactive application. I think a strong argument could be made that this would amount to a deprivation of property without the due proces of law as required by the fifth amendment. In addition, the bald supplanting of a Supreme Court decision by a congressional act raises serious questions regarding the separation of powers set forth in the Constitution.

Even beyond the constitutional problems engendered by making the bill's application retroactive, I think retroactivity in this case is unwise legislative policy. In the past, antitrust legislation has been applied only prospectively. Retroactive application of S. 1874 would not only hamper private enforcement of our antitrust laws already begun during the period of the Illinois Brick decision, it would encourage the reopening of cases settled or dismissed on the basis of the Illinois Brick decision and related cases.

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

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

AMENDMENT NO. 3506

On page 5, beginning on line 6, strike "which was pending on June 9, 1977, or filed thereafter." and insert in lieu thereof "which is filed on or after the date of enactment of this Act.".

FEDERAL-AID HIGHWAY ACT—S. 3073

AMENDMENT NO. 3507

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

Mr. HUDDLESTON (for himself, Mr. RANDOLPH, Mr. MCGOVERN, Mr. BAYH, Mr. GRAVEL, Mr. FORD, Mr. MELCHER, Mr. PAUL G. HATFIELD, and Mr. HEINZ) submitted an amendment intended to be proposed by them, jointly, to S. 3073, the Federal-Aid Highway Act.

● Mr. HUDDLESTON. Mr. President, I am pleased to introduce today on behalf of the distinguished chairman of the Senate Environment and Public Works Committee, Senator RANDOLPH, and our other colleagues a modified version of the Randolph-Huddleston energy impacted road amendment proposed last week to S. 3073, the Federal-Aid Highway Act.

Though the funding level, $100 million a year for 2 years from the highway trust fund, and the matching basis, 70 percent Federal and 30 percent State, remain the same, the modifications we have made are intended to clear up some rather serious misconceptions being promoted by opponents of the original amendment.

First, we are naturally concerned about information being disseminated which indicates only a few coal producing States, West Virginia and Kentucky in particular, would benefit from the institution of an energy impacted road program. Thus, our modified amendment makes it clear that routes used for transportation of not only coal but also uranium, oil and gas as well as related recovery and exploration equipment used to increase national energy supplies would be eligible for the program. These routes could be considered on a statewide basis or as part of specific energy impacted region within a State. These regions would be designated by a governor in consultation with the Department of Transportation.

Also, it must be remembered that one of the linchpins of our support for any program of this nature is our belief that national energy requirements are indeed national. However, while the Nation as a whole benefits by increased energy supplies, immediate negative impacts are evident in several specific regions. To be sure, several legislative proposals have been introduced to offset social and economic boomtown situations, however, no one has yet adequately addressed the physical deterioration of the roads and accompanying safety problems in these areas.

Second, it is argued that our amendment affects only highway related portions of the multimodal difficulties existing in the energy transportation system. The administration is said to be willing to cooperate in developing a "long term program which deals with all the aspects" of the problem. Though we believe this offer of support is commendable, it does absolutely nothing to solve the critical situation that exists today. The Federal-Aid Highway Act provides a vehicle for at least some relief now. The

longer we wait the more deterioration and higher costs for repair we can expect. We urge your support of our amendment when it comes to the floor for consideration.●

TARIFF TREATMENT OF FILM, STRIPS, SHEETS, AND PLATES OF CERTAIN PLASTICS OR RUBBER—H.R. 5285

AMENDMENT NO. 3508

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

Mr. CHURCH submitted an amendment intended to be proposed by him to H.R. 5285, an act to amend the tariff schedules of the United States with respect to the treatment accorded to film, strips, sheets, and plates of certain plastics or rubber.

ELEMENTARY AND SECONDARY EDUCATION ACT AMENDMENTS OF 1978—S. 1753

AMENDMENTS NOS. 3509 THROUGH 3511

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

Mr. HATCH submitted three amendments intended to be proposed by him to S. 1753, the Elementary and Secondary Education Act Amendments of 1978.

Mr. HATCH. Mr. President, before long, subject to the discretion of our distinguished Senate leadership, we will have the opportunity to consider and vote on the bill, S. 1753, the Elementary and Secondary Education Act Amendments of 1978.

I just called it a bill, but it might be more accurate to call ESEA a "state of mind." It is one of the more enormous packages of proposed Federal education programs to be considered at any one time. It will commit us to spend $52 billion in Federal expenditures over the next half decade, give or take a billion.

If I seem cavalier about the bill, I am not. This matter is serious. As a member of the Human Resources Committee, I took part in amending it; and I participated in the general spirit of good fellowship by voting to report this legislation to the floor for our consideration. But I was not entirely pleased with the bill then, and I am not now. The legislation can be improved, and certainly we have a responsibility to see that it is. Having given long, hard thought to reforming the bill's provisions, I am today formally introducing a substitute bill in the form of an amendment to S. 1753. I am also introducing two amendments to the bill as it has been reported from committee, one amendment dealing with "cognitive skills" and the other dealing with "parental consent." At this time, I ask unanimous consent that the text of my substitute in the form of an amendment to S. 1753, as well as my amendments proposed to the reported version of the committee bill, be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3509

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

"That this Act may be cited as the 'Elementary and Secondary Education Assistance Act of 1978'.

"TITLE I—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN

"DECLARATION OF POLICY

"SEC. 101. In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including pre-school programs) which contribute particularly to meeting the special educational needs of educationally deprived children. Further, in recognition of the special educational needs of children of certain migrant parents, of Indian children, and of handicapped or neglected or delinquent children, the Congress declares it to be the policy of the United States to provide financial assistance (as set forth in the following parts of this title) to help meet the special educational needs of such children.

"DURATION OF ASSISTANCE

"SEC. 102. During the period beginning July 1, 1979, and ending September 30, 1983, the Commissioner shall, in accordance with the provisions of this title, make payments to State educational agencies for grants made on the basis of entitlements created under this title.

"PART A—PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

"Subpart 1—Basic Grants

"GRANTS—AMOUNT AND ELIGIBILITY

"SEC. 111. (a) AMOUNT OF GRANTS.—(1) There is authorized to be appropriated for each fiscal year for the purpose of this paragraph 1 per centum of the amount appropriated for such year for payments to States under part E (other than payments under such part to jurisdictions excluded from the term 'State' by this subsection, and payments pursuant to section 156), and there is authorized to be appropriated such additional sums as will assure at least the same level of funding under this title as in fiscal year 1973 for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and to the Secretary of the Interior for payments pursuant to paragraphs (1) and (2) of subsection (d). The amount appropriated pursuant to this paragraph shall be allotted by the Commissioner (A) among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for grants under this part, and (B) to the Secretary of the Interior in the amount necessary (i) to make payments pursuant to paragraph (1) of subsection (d), and (ii) to make payments pursuant to paragraph (2) of subsection (d). The grant which a local educational agency in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands is eligible to receive shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purpose of this title.

(2) In any case in which the Commissioner determines that satisfactory data for that purpose are available, the grant which a local educational agency in a State is eligible to receive under this subpart for a fiscal year shall (except as provided in paragraph (3)) be determined by multiplying the number of children counted under subsection (c) by 40 per centum of the amount determined under the next sentence. The amount determined under this sentence shall be the average per pupil expenditure in the State except that (A) if the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, such amount shall be 80 per centum of the average per pupil expenditure in the United States, or (B) if the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, such amount shall be 120 per centum of the average per pupil expenditure in the United States. In any case in which such data are not available, subject to paragraph (3), the grant for any local educational agency in a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under the two preceding sentences for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with the basic criteria prescribed by the Commissioner.

"(3)(A) Upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children described in clause (C) of paragraph (1) of subsection (c), who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency, as determined by regulations established by the Commissioner, which does assume such responsibility shall be eligible to receive such portion of the allocation.

"(B) In the case of local educational agencies which serve in whole or in part the same geographical area, and in the case of a local educational agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the State educational agency may allocate the amount of the grants for those agencies among them in such manner as it determines will best carry out the purposes of this title.

"(C) In any State in which a large number of local educational agencies overlap county boundaries, the State educational agency may apply to the Commissioner for authority during any particular fiscal year to make the allocations under this part directly to local educational agencies without regard to the counties. If the Commissioner approves an application of a State educational agency for a particular year under this subparagraph, the State educational agency shall provide assurances that such allocations will be made using precisely the same factors for determining grants as are used under this part and that a procedure will be established through which local educational agencies dissatisfied with the determinations made by the State educational agency may appeal directly to the Commissioner for a final determination.

"(D) For each fiscal year, the Commis-

sioner shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure if any of the fifty States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) for Puerto Rico by the product of—

"(i) the percentage determined under the preceding sentence, and

"(ii) 32 per centum of the average per pupil expenditure in the United States.

"(4) For purposes of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency shall be eligible for a basic grant for a fiscal year under this part only if it meets the following requirements with respect to the number of children counted under subsection (c):

"(1) In any case (except as provided in paragraph (3)) in which the Commissioner determines that satisfactory data for the purpose of this subsection as to the number of such children are available on a school basis, the number of such children in the school district of such local educational agency shall be at least ten.

"(2) In any other case, except as provided in paragraph (3), the number of children in the county which includes such local education agency's school district shall be at least ten.

"(3) In any case in which a county includes a part of the school district of the local educational agency concerned and the Commissioner has not determined that satisfactory data for the purpose of this subsection are available on a school district basis for all the local educational agencies for all the counties into which the school district of the local educational agency concerned extends, the eligibility requirement with respect to the number of children for such local educational agency shall be determined in accordance with regulations prescribed by the Commissioner for the purposes of this subsection.

"(c) CHILDREN TO BE COUNTED.—(1) The number of children to be counted for purposes of this section is the aggregate of (A) the number of children aged five to seventeen, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2)(A), (B) the number of children aged five to seventeen, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (2)(B), and (C) the number of children aged five to seventeen, inclusive, in the school district of such agency living in institutons for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to subpart 3 of part B for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

"(2)(A) For the purposes of this section, the Commissioner shall determine the number of children aged five to seventeen, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (or, if such data are not available for such agencies, for counties); and in determining the families which are below the poverty level, the Commissioner shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census.

"(B) For purposes of this section, the Secretary shall determine the number of children aged five to seventeen, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the 1970 decennial census for a nonfarm family of four in such form as those criteria have been updated by increases in the Consumer Price Index. The Secretary shall determine the number of such children and the number of children of such ages living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding fiscal year (using, in the case of children described in the preceding sentence, the criteria of poverty and the form of such criteria required by such sentence which were determined for the calendar year preceding such month of October) or, to the extent that such data are not available to him before January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to him at the time of such determination.

"(C) When requested by the Commissioner, the Secretary of Commerce shall make a special estimate of the number of children of such ages who are from families below the poverty level (as determined under paragraph (A) of this subsection) in each county or school district, and the Commissioner is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information. For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

"(d) PROGRAM FOR INDIAN CHILDREN.—(1) From the amount allotted for payments to the Secretary of the Interior under clause (B)(i) in the second sentence of subsection (a)(1), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Commissioner determines will best carry out the purposes of this title, with respect to out-of-State Indian children in the elementary and secondary schools of such agencies under special contracts with the Department of the Interior. The amount of such payment may not exceed, for each such child, 40 per centum of (A) the average per pupil expenditure in the State in which the agency is located or (B) 120 per centum of such expenditure in the United States, whichever is the greater.

"(2) The amount allotted for payments to the Secretary of the Interior under clause (B)(ii) in the second sentence of subsection (a)(1) for any fiscal year shall be, as determined pursuant to criteria established by the Commissioner, the amount necessary to meet the special educational needs of educationally deprived Indian children on reservations serviced by elementary and secondary schools operated for Indian children by the Department of the Interior. Such payment shall be made pursuant to an agreement between the Commissioner and the Secretary containing such assurances and terms as the Commissioner determines will best achieve the purposes of this title. Such agreement shall contain (A) an assurance that payments made pursuant to this subparagraph will be used solely for programs and projects approved by the Secretary of the Interior which meet the applicable requirements of subpart 3 of this part and that the Department of the Interior will comply in all other respects with the requirements of this title, and (B) provision for carrying out the applicable provisions of subpart 3 of this part and sections 192 and 193.

"TREATMENT OF EARNINGS FOR PURPOSES OF AID TO FAMILIES WITH DEPENDENT CHILDREN

"SEC. 112. Notwithstanding the provisions of title IV of the Social Security Act, a State plan approved under section 402 of such Act shall provide that for a period of not less than twelve months, and may provide that for a period of not more than twenty-four months, the first $85 earned by any person in any month for services rendered to any program assisted under this title of this Act shall not be regarded (1) in determining the need of such person under such approved State plan or (2) in determining the need for any other individual under such approved State plan.

"Subpart 2—Special Grants

"SPECIAL INCENTIVE GRANTS

"SEC. 116. (a) ELIGIBILITY.—(1) Each local educational agency that is eligible to receive a payment under section 111 for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if it is located in a State which has in effect for that fiscal year a State program meeting the requirements of paragraph (2) under which financial assistance is provided to meet the special education needs of educationally deprived children.

"(2) A State program meets the requirements of this subsection if, under State law—

"(A) the program meets the requirements of section 131(c); and

"(B) not less than 50 per centum of the funds expended under the program in any local educational agency in the State in the fiscal year preceding any fiscal year in which the State receives a payment under this subpart is expended in school attendance areas of such agencies having high concentrations of children from low-income families.

"(b) AMOUNT OF GRANTS.—(1) Except as provided in paragraph (3), the aggregate amount to which the local educational agencies in a State are entitled under this section for any fiscal year shall be 50 per centum of the amount of State funds expended, in the most recent fiscal year for which data are available, under a State program meeting the requirements of paragraph (2) of subsection (a) of this section.

"(2) The amount of the additional grant for each local educational agency in a State under this section for any fiscal year shall bear the same ratio to the amount allocated to that State under subsection (c) of this section as the amount allocated to that local educational agency under subpart 1 of part A of this title for that fiscal year bears to the aggregate amount allocated to all local educational agencies in the State under subpart 1 of part A for that fiscal year.

"(3) The aggregate amount that the local educational agencies in a State shall be eligible to receive under this section for any fiscal year shall not exceed 10 per centum of the aggregate amount which all local educational agencies in that State are eligible to receive under section 111 of this title for that fiscal year.

"(4) Each State which desires to receive payments under this section shall develop a system for determining the data required by subparagraph (2)(B) of subsection (a) of this section relating to the percentage of State funds expended in school attendance areas having high concentrations of children from low-income families and paragraph (1) of this subsection relating to the amount of State funds expended under the State program referred to in that paragraph. The State shall submit to the Commissioner such information as the Commissioner may request concerning that system.

"(c) PAYMENTS; USE OF FUNDS.—(1) Except as provided in paragraph (2), the Commissioner shall pay to each State for each fiscal year the aggregate amount to which the local educational agencies in that State are entitled for that fiscal year.

"(2) Whenever the expenditures made by a State in accordance with subsection (a) of this section in a fiscal year equal or exceed expenditures in the preceding fiscal year, the amount paid to that State under this section shall not be less than the amount paid to that State under this section in the preceding fiscal year, and the total of any increases required under this paragraph shall be derived by proportionately reducing the amount paid to States which were not entitled to a payment under this section in the preceding fiscal year, except that the amount paid to a State under this section for any fiscal year shall not exceed the maximum amount to which that State is entitled for that fiscal year under paragraph (1) of subsection (b).

"(3) The total amount to which the local educational agencies in a State are entitled under this section for any fiscal year shall be added to the amount paid to that State under section 192 for that year. From the amount paid to it under this subsection, the State shall distribute to each local educational agency of the State the amount of its additional grant as determined under paragraph (2) of subsection (b) of this section.

"(4) The amount paid to a local educational agency under this section shall be used by that agency for activities undertaken pursuant to its application submitted under section 121 and shall be subject to all other requirements in subpart 3 of part A of this title.

"(d) APPROPRIATIONS.—There are authorized to be appropriated for the purposes of this section such sums as may be necessary for fiscal year 1980 and for the three succeeding fiscal years.

"GRANTS FOR LOCAL EDUCATIONAL AGENCIES IN COUNTIES WITH ESPECIALLY HIGH CONCENTRATIONS OF CHILDREN FROM LOW-INCOME FAMILIES

"SEC. 117. (a) PURPOSE.—It is the purpose of this section to provide additional assistance to local educational agencies in counties with especially high concentrations of children from low-income families to enable local educational agencies in such counties to provide more effective programs of instruction, especially in the basic skills of reading, writing, and mathematics, to meet the special educational needs of educationally deprived children.

"(b) ELIGIBILITY FOR AND AMOUNT OF SPECIAL GRANTS.—(1) Each county, in a State other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, which is eligible for a grant under this title for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if—

"(A) the number of children counted under section 111(c) of this title for local educational agencies in such county for the preceding fiscal year exceeds five thousand, or

"(B) the number of children counted under section 111(c) exceeds 20 per centum of the total number of children aged five to seventeen, inclusive, in the school districts of local educational agencies in such counties in that fiscal year,

except that no such State shall receive less than one-quarter of 1 per centum of the sums appropriated under subsection (d) for that section for that fiscal year.

"(2) For each county in which there are local educational agencies eligible to receive an additional grant under this section for any fiscal year the Commissioner shall determine the product of—

"(A) the number of children in excess of five thousand counted under section 111(c) for the preceding fiscal year or the number of children counted under that section in excess of 20 per centum of the total number of children aged five to seventeen, inclusive, in the school districts of local educational agencies in such county for that preceding fiscal year, whichever is greater, and

"(B) the average per pupil expenditure determined for those agencies under the second sentence of section 111(a)(2) of this title for the fiscal year for which the determination is being made.

"(3) The amount of the additional grant to which an eligible county is entitled under this section for any fiscal year shall be an amount which bears the same ratio to the amount appropriated under subsection (d) for that fiscal year as the product determined under paragraph (2) for such county for that fiscal year bears to the sum of such products for all counties in the United States for that fiscal year.

"(4) For the purposes of this section, the Commissioner shall determine the number of children counted under subsection 111(c) for any county and the total number of children aged five to seventeen, inclusive, in school districts of local educational agencies in such county, on the basis of the most recent satisfactory data available at the time the entitlement of that county is determined under section 111.

"(5)(A) Except as provided in subparagraph (C), funds allocated to counties under this part shall be allocated by the State educational agency, pursuant to regulations established by the Commissioner, among the several local educational agencies whose school districts lie (in whole or in part) within the county on the basis of the current distribution in the country of children aged five to seventeen, inclusive, from low-income families (using a poverty level selected by the State educational agency consistent with the purposes of this title) as determined on the basis of the available data which such State educational agency determines best to reflect the current distribution in the county of children aged five to seventeen, inclusive, from low-income families.

"(B) Funds allocated pursuant to subparagraph (A) by the State educational agency among the several local educational agencies may only be allocated to such agencies whose incidence of children from low-income families is at least 10 per centum or above the county's average incidence of such children whichever would result in grants being made to the fewer number of districts.

"(C) The State educational agency of any State, to which the exception in paragraph (1) of this subsection applies, shall allocate the funds received under this section among local educational agencies on the basis of the relative number of children counted under section 111(c) of this title.

"(c) PAYMENTS; USE OF FUNDS.—(1) The total amount to which the counties in a State are entitled under this section for any fiscal year shall be added to the amount paid to that State under section 191 for that year. From the amount paid to it under this section, the State shall distribute to local educational agencies in each county of the State the amount (if any) to which it is entitled under this section.

"(2) The amount paid to a local educational agency under this section shall be used by that agency for activities undertaken pursuant to its application submitted under section 121 and shall be subject to the other requirements in subpart 3 of this part.

"(d) APPROPRIATIONS.—There are authorized to be appropriated for the purposes of this section $400,000,000 for fiscal year 1979, and such sums as many be necessary for each of the four succeeding fiscal years.

"Subpart 3—Program Requirements and Application

"LOCAL PROGRAM APPLICATIONS

"SEC. 121. A local educational agency may receive a grant under this title for any fiscal year if it has on file with the appropriate State educational agency a current application, approved by the State educational agency, describing the programs and projects to be conducted with assistance provided under this title for a period not to exceed three fiscal years, including the fiscal year for which the grant is to be made. Such an application may be amended at any time to describe changes in or additions to the activities originally set forth in the application.

"DESIGNATING SCHOOL ATTENDANCE AREAS

"SEC. 122. (a) GENERAL PROVISIONS.—Except as provided in subsections (b), (c), (d), and (e) of this section, a local educational agency shall use funds received under this title in school attendance areas having high concentrations of children from low-income families (hereinafter referred to as 'eligible school attendance areas'), and where funds under this title are insufficient to provide programs and projects for all educationally deprived children in eligible school attendance areas, a local educational agency shall annually rank its eligible school attendance areas from highest to lowest, according to relative degree of concentration of children from low-income families. The same measure of low-income, which shall be chosen by the local educational agency and which may be a composite of several indicators, shall be used with respect to all such areas, both to identify the areas having high concentrations of children from low-income families and to determine the ranking of each area. A local educational agency may carry on a program or project assisted under this title in an eligible school attendance area only if it also carries on such program or project in other eligible school attendance areas which are ranked higher under the first sentence.

"(b) USE OF ENROLLMENT DATA IN CERTAIN SCHOOLS.—A local educational agency may use funds received under this title for educationally deprived children who are in a school of such agency which is not located in an eligible school attendance area, but at which the proportion of children in actual average daily attendance who are from low-income families in substantially the same as the proportion of such children in such an area of that agency (hereinafter referred to as an eligible school).

"(c) CONTINUATION OF ELIGIBILITY FOR CERTAIN ATTENDANCE AREAS OR SCHOOLS.—An eligible school attendance area or an eligible school may be designated a project area under subsection (a) or a project school under subsection (b) for a fiscal year even though it does not qualify under that subsection for that fiscal year, if such area or school was so designated in either of the two preceding fiscal years.

"(d) LOWER RANKED SCHOOL ATTENDANCE AREAS OR SCHOOL HAVING SUBSTANTIALLY GREATER INCIDENCES OF EDUCATIONALLY DEPRIVED CHILDREN THAN HIGHER RANKED AREAS OR SCHOOLS.—The Commissioner shall issue regulations providing for an exception to subsection (a) permitting children in lower ranked eligible school attendance areas or eligible schools having substantially greater incidences of educational deprivation than areas or schools ranked higher under subsection (a) or (b) to receive assistance before such children in higher ranked areas or schools receive such assistance.

"(e) SKIPPING HIGHER RANKED SCHOOL ATTENDANCE AREAS OR SCHOOLS RECEIVING SERVICES OF THE SAME NATURE AND SCOPE FROM NON-FEDERAL SOURCES.—The Commissioner shall issue regulations providing for an exception to subsection (a) or (b) permitting local educational agencies to skip higher

ranked eligible school attendance areas or eligible schools receiving, from non-Federal funds, services of the same nature and scope as would otherwise be provided under this title. Whenever children residing in eligible areas and attending private elementary and secondary schools are ineligible for services of the same nature and scope from non-Federal sources such children should be selected for programs and projects under this title without regard to the provisions of this subsection.

"CHILDREN TO BE SERVED

"SEC. 123. (a) GENERAL PROVISIONS.—Except as provided in subsections (b), (c), and (d) of this section and section 133, a local educational agency must use funds received under this title for educationally deprived children, identified in accordance with section 124(b) as having the greatest need for special assistance, in school attendance areas or schools satisfying the requirements of section 122.

"(b) CONTINUATION OF ELIGIBILITY FOR EDUCATIONALLY DEPRIVED CHILDREN WHO ARE NO LONGER IN GREATEST NEED OF ASSISTANCE.—Where for a fiscal year, an educationally deprived child in a school attendance area or school satisfying the requirements of section 122, does not meet the requirement of subsection (a) requiring that he be in greatest need of special assistance, but did meet such requirement in any previous year, and is still educationally deprived, that child may participate in a program or project assisted under this title for the current fiscal year.

"(c) CONTINUATION OF ELIGIBILITY FOR EDUCATIONALLY DEPRIVED CHILDREN TRANSFERRED TO INELIGIBLE AREAS IN THE SAME YEAR.—Educationally deprived children who begin participation in a program or project assisted under this title, in accordance with subsections (a) and (b) but who, in the same school year, are transferred to a school attendance area or school not receiving funds under this title, may continue to participate in a program or project funded under this title for the duration of that same school year.

"(d) SKIPPING CHILDREN DETERMINED TO BE IN GREATEST NEED OF ASSISTANCE RECEIVING SERVICES OF THE SAME NATURE AND SCOPE FROM NON-FEDERAL SOURCES.—The Commissioner shall issue regulations providing for an exemption to subsection (a) permitting local educational agencies to skip educationally deprived children in greatest need of assistance receiving, from non-Federal sources, services of the same nature and scope as would otherwise be provided under this title.

"REQUIREMENTS FOR DESIGN AND IMPLEMENTATION OF PROGRAMS

"SEC. 124. (a) PURPOSE OF PROGRAM.—A local educational agency may use funds received under this title only for programs and projects which are designed to meet the special educational needs of the children referred to in section 123. Such programs and projects may include the acquisition of equipment, payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools serving project areas, the training of teachers, and, where necessary, the construction of school facilities, and planning for such programs and projects.

"(b) ASSESSMENT OF EDUCATIONAL NEED.—A local educational agency may receive funds under this title only if it makes an assessment of educational needs each year to (1) identify educationally deprived children who have the greatest need for special assistance; (2) identify the general instructional areas on which the program will focus; and (3) determine the special educational needs of participating children with specificity sufficient to facilitate development of high-quality programs and projects.

"(c) PLANNING.—A local educational agency may use funds received under this title for planning only if (1) the planning relates directly to programs or projects to be assisted under this title and has resulted, or is reasonably likely to result, in a program or project to be assisted under this title, and (2) such funds are needed because of the innovative nature of the program or project or because such agency lacks the resources necessary to plan adequately for programs and projects to be assisted under this title. The amount a local educational agency may use for plans for any fiscal year may not exceed 1 per centum of the amount determined for that agency for that year pursuant to section 111 or $2,000, whichever is greater.

"(d) SUFFICIENT SIZE, SCOPE, AND QUALITY.—A local educational agency may use funds received under this title only for programs and projects which are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served.

"(e) EXPENDITURES RELATED TO RANKING OF ELIGIBLE SCHOOL ATTENDANCE AREA OR SCHOOLS.—A local educational agency may receive funds under this title only if such funds are allocated among project areas or schools for programs and projects assisted under this title on the basis of the number and needs of particular students as determined in accordance with section 123.

"(f) COORDINATION WITH OTHER PROGRAMS.—A local educational agency may receive funds under this title only if it demonstrates that, in the development of its application, it has taken into consideration benefits and services which are or may be available through other public and private agencies, organizations, or individuals. The local educational agency shall also demonstrate that in order to avoid duplication of effort and to insure that all programs and projects complement each other, it has considered suggestions and offers of assistance made by other agencies which may aid in carrying out or making more effective the program or project for which the application is made.

"(g) EVALUATIONS.—A local educational agency may receive funds under this title only if—

"(1) effective procedures are adopted for evaluating at least every three years the effectiveness of the programs assisted under this title in meeting the special educational needs of educationally deprived children;

"(2) such valuations will include, during each three-year period, the collection and analysis of data relating to the degree to which programs assisted under this title have achieved their goals, and will also include objective measurements of educational achievement in basic skills over at least a twelve-month period in order to determine whether regular school year programs have sustained effects over the summer; and

"(3) the evaluation will address the purposes of the programs and that the results of the evaluations will be utilized in planning for and improving projects and activities carried out under this title in subsequent years.

"(h) TEACHER PARTICIPATION.—A local educational agency may receive funds under this title only if teachers in schools participating in programs assisted under this title have been involved in planning for those programs and will be involved in the evaluation thereof.

"(i) PARENT PARTICIPATION.—A local educational agency may receive funds under this title only if parents of children participating in programs assisted under this title will be informed of the instructional goals of the program and the progress of their children in that program, and will be afforded opportunities to assist their children in achieving those goals.

"(j) SUSTAINING GAINS.—A local educational agency may receive funds under this title only if, in developing programs to be assisted under this title, the local educational agency will give due consideration to the inclusion of components designed to sustain the achievements of children beyond the school year in which the program is conducted, through such means as increased emphasis on summer programs and intermediate and secondary level programs.

"(k) TRAINING OF EDUCATION AIDES.—A local educational agency may receive funds under this title for programs and projects involving educational aides only if it has in effect well-developed plans providing for coordinated programs of training in which education aides and the professional staff whom they are assisting will participate together.

"(l) JOINTLY OPERATED PROGRAMS.—Two or more local educational agencies may, at their option, enter into an agreement for carrying out jointly operated programs and projects assisted under this title.

"PARENTAL INVOLVEMENT

"SEC. 125. (a) ESTABLISHMENT OF ADVISORY COUNCILS.—A local educational agency may receive funds under this title only if it establishes (1) an advisory council for its entire school district composed of representatives elected by the project area and project school advisory councils, and (2) an advisory council for each project area or project school. Each project area or project school advisory council—

"(A) shall be composed of not less than ten members (three-fourths of whom shall be parents of the children to be served who are elected by parents in the school attendance area, and one-fourth of whom shall be elected by the parent members), and

"(B) shall elect officers of the council after it has been fully constituted, and

"(C) shall be composed of members who shall serve for terms of two years after which time they may be reelected, except that the members first elected after the date of enactment of the Education Amendments of 1978, one-half shall be elected for a term of one year only, and

"(D) shall meet a sufficient number of times to carry out their responsibilities under subsection (b) at locations chosen by the council.

The first such meeting shall occur not later than the end of the second month of the school year.

"(b) RESPONSIBILITIES OF ADVISORY COUNCILS.—Each local educational agency shall give each advisory council which it establishes under subsection (a) responsibility for advising it in the planning for, and the implementation and evaluation of, its programs and projects assisted under this title.

"(c) ACCESS TO INFORMATION.—(1) Each local educational agency shall provide without charge to each member of an advisory council established by such agency under subsection (a) of this section—

"(A) a copy of the text of this title and of the General Education Provisions Act,

"(B) a copy of any Federal regulations and guidelines issued under such Act,

"(C) a copy of appropriate State regulations and guidelines associated with this title, and

"(D) appropriate training materials to enable such members to carry out all of the functions of a member of such council.

"(2) Each State educational agency shall furnish to each parent advisory council established under subsection (a) of this section in that State copies of reports and other appropriate documents prepared on behalf of or for the State educational agency as a result of monitoring and evaluation, including audits, of programs conducted under this title, insofar as such documents pertain to programs operated by the local educational agency.

"(d) TRAINING OF ADVISORY COUNCIL MEMBERS.—Each local educational agency application for funding under this title shall contain a description of a program of training, established by the local educational agency in full consultation with the members of the advisory councils established under subsection (a) of this section, which meets criteria developed by the Commissioner, which shall be provided to each such member, and which shall permit the use of funds under this title for attendance by such members at relevant local, State, regional, and national meetings."

"(e) WORKSHOPS ON PARENTAL INVOLVEMENT.—For each fiscal year for which payments are made to State educational agencies under this title, the Commissioner shall sponsor workshops in the several regions of the United States which shall be designed to assist local educational agencies to work with parent advisory councils established under subsection (a) of this section and to facilitate parental involvement in the programs conducted under this title. The workshops shall be planned and conducted in consultation with members of parent advisory councils in the region served by the workshop and with organizations concerned with Federal education policy.

"(f) MODEL TRAINING PROGRAMS.—The National Institute of Education shall develop models for successful parent involvement training programs conducted under title I, and shall report and disseminate the results of such study to the Congress and the public, in order to encourage the adoption of successful parental involvement training programs, or portions thereof, by schools and local educational agencies.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, such sums as may be necessary to carry out the provisions of subsections (e) and (f) of this section.

"FUNDS ALLOCATION

SEC. 126. (a) MAINTENANCE OF REPORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this title for any fiscal year only if the State educational agency finds that the combined fiscal effort per student or the aggregate expenditures (as determined in accordance with regulations of the Commissioner) of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than such combined fiscal effort per student or the aggregate expenditures for that purpose for the second preceding fiscal year.

"(2) The Commissioner may waive, for one fiscal year only, the requirements of this subsection if he determines that such a waiver would be equitable due to exceptional and unforeseen circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency. In any case in which a waiver under this paragraph is granted, the Commissioner shall reduce the amount of Federal payment for the program affected for the current fiscal year in the exact proportion to which the amount expended (either on an average per pupil or aggregate basis) was less than the amount required by paragraph (1). However, the waiver may not be taken into account when computing the fiscal effort in subsequent years for the programs affected as required by paragraph (1).

"(3) The Commissioner shall establish objective criteria of general applicability to carry out the waiver authority contained in this subsection.

"(b) USE OF FUNDS LIMITED TO EXCESS COSTS.—Subject to the provisions of section 131, a local educational agency may use funds received under this title only for the excess costs of programs and projects referred to in section 124(a). As used in this subsection, the term 'excess costs' means costs directly attributable to programs and projects which exceed the average per pupil expenditure of a local educational agency in the most recent year for which satisfactory data are available for pupils in the grade or grades included in such programs or projects.

"(c) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT REGULAR NON-FEDERAL FUNDS.—A local educational agency may use funds received under this title only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from regular non-Federal sources and from non-Federal sources for State phase-in programs described in section 131(d) for the education of pupils participating in programs and projects assisted under this title, and in no case may such funds be so used as to supplant such funds from such non-Federal sources.

"(d) FEDERAL FUNDS REQUIRED TO SUPPLEMENT, NOT SUPPLANT NON-FEDERAL FUNDS FOR CERTAIN SPECIAL STATE AND LOCAL PROGRAMS.—A local educational agency may use funds received under this title only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for each of the special programs described in subsections (c) and (d) of section 131 for the education of educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools and in no case, as to supplant such funds from non-Federal sources. It shall not be considered a violation of this subsection for a local educational agency, in carrying out a special program described in subsections (c) and (d) of section 131, to take into consideration funds made available under this title, and to coordinate such special programs with programs using such Federal funds, provided that educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools, receive at least the same level of such special State and local funds that would have been made available to such children in the absence of funds under this title. For purposes of this subsection, the level of funds that, in the absence of funds under this title have been made available to such children shall be determined by reference to a plan for distributing such special funds. Such plan shall be based on objective criteria of need that do not discriminate against educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools. The objective criteria chosen by the local educational agency shall prescribe, with particularity, the children as well as the schools, grade-spans, or school attendance areas eligible for assistance and the method for selecting the particular children who will receive assistance under such special State or local program and the schools or grade-spans which such children attend or the school attendance areas in which such children reside. The criteria for selecting children, schools, grade-spans, and school attendance areas for participation shall be either educational need, a reasonable proxy for educational need, level of poverty, or a combination of such factors. Educationally deprived children residing in eligible school attendance areas or attending eligible schools, satisfying such objective criteria, must receive assistance under either this title or under such special State or local program before any child who does not satisfy such criteria receives such assistance.

"(e) COMPARABILITY OF SERVICES.—Subject to the provisions of section 131, a local educational agency may receive funds under this title only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this title. Where, under regulations of the Commissioner, all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are substantially comparable, in accordance with regulations of the Commissioner, in each project area. Each local educational agency shall report annually to the State educational agency with respect to its compliance with this subsection.

"ACCESS TO INFORMATION

"SEC. 127. Each local educational agency which applies for or receives funds under this title shall make the application, all relevant evaluations and reports, and all other pertinent documents related thereto available to parents, teachers, and other members of the general public.

"COMPLAINT RESOLUTION

"SEC. 128. Each local educational agency which receives funds under this title shall develop and implement, in accordance with criteria prescribed by the Commissioner, written procedures for the resolution of complaints made to that agency by parent advisory councils, parents, teachers, or other concerned organizations or individuals concerning violations of this title, or of applicable provisions of the General Education Provisions Act in connection with programs under this title. Such procedures shall—

"(1) provide specific time limits for investigation and resolution of complaints, which shall not exceed thirty days;

"(2) provide an opportunity for the complainant or the complainant's representative, or both, to present evidence, including an opportunity to question parties involved;

"(3) provide the right to appeal the final resolution of the local educational agency to the State educational agency within thirty days after receipt of the written decision; and

"(4) provide for the dissemination of information concerning these procedures to interested parties, including all district and school parent advisory councils.

"INDIVIDUALIZED PLANS

"SEC. 129. It is the intent of the Congress to encourage, where feasible, the development for each educationally deprived child participating in a program under this title of an individualized written educational plan (maintained and periodically evaluated), agreed upon jointly by the local educational agency, the teacher, a parent or guardian of the child, and, when appropriate, the child.

"PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

"SEC. 130. (a) GENERAL REQUIREMENTS.—To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall make provision for including in projects assisted under this title special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) which meet the requirements of section 122, subsections (a), (b), and (d) of section 124, and subsections (b) and (c) of section 126, and which provide to those children an opportunity to participate in programs and projects assisted under this title on a basis equitable to that provided to similarly deprived children enrolled in public schools. Expenditures for educational services

and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of those children) to expenditures for children enrolled in the public schools of the local educational agency.

"(b) BY-PASS PROVISION.—(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Commissioner shall waive such requirement, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a).

"(2) If the Commissioner determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), he may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a) upon which determination the provisions of subsection (a) shall be waived.

"(3)(A) When the Commissioner arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative cost of arranging for the services, from the appropriate allocation or allocations under this title.

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Commissioner may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of those services.

"(C) Any determination by the Commissioner under this section shall continue in effect until the Commissioner determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).

"(4) The Commissioner shall not take any final action under this subsection until the State educational agency and the local educational agency affected by that action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Commissioner or his designee to show cause why that action should not be taken.

"(4)(A) The Commissioner shall not take any final action under this section until he has afforded the State educational agency and local educational agency affected by such action at least sixty days' notice of his proposed action and an opportunity for a hearing with respect thereto on the record.

"(B) If a State or local educational agency is dissatisfied with the Commissioner's final action after a hearing under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(C) The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"Subpart 4—Exemptions From Certain Program Requirements

"EXCLUSIONS FROM EXCESS COSTS AND COMPARABILITY PROVISIONS FOR CERTAIN SPECIAL STATE AND LOCAL PROGRAMS

"SEC. 131. (a) IN GENERAL.—For the purpose of determining compliance with the requirement of section 126(b) (relating to use of funds only for excess costs of programs and projects) and of section 126(e) (relating to comparability of services between each project area school and nonproject area schools), a local educational agency may, at its option, exclude State and local funds expended for carrying out a special program or a State phase-in program.

"(b) SPECIAL PROGRAM AND STATE PHASE-IN PROGRAM DEFINED.—For purposes of this section—

"(1) a special program is limited to—

"(A) a State compensatory education program which the Commissioner has determined in advance under subsection (f) meets the requirements of subsection (c) and which the State educational agency determines is being implemented by the local educational agency in accordance with subsection (c);

"(B) a State compensatory education program which the Commissioner has determined in advance under subsection (f) does not satisfy the requirements of subsection (c), but which he has determined permits the local educational agency, at its option, to use such special State funds in accordance with subsection (c), provided that the local educational agency designs a program which the State educational agency determines in advance under subsection (g) meets the requirements of subsection (c) and which the State educational agency determines will be implemented by the local educational agencies in accordance with subsection (c);

"(C) a local compensatory education program which the State educational agency has determined in advance under subsection (g) meets the requirements of subsection (c) and which the State educational agency determines is being implemented in accordance with subsection (c); or

"(D) a bilingual program or special education program which meets the requirements of subsection (d); and

"(2) a State phase-in program is a program which the Commissioner has determined in advance under subsection (f) meets the requirements of subsection (e) and which the State educational agency determines will be implemented by local educational agencies in accordance with subsection (e)

"(c) STATE AND LOCAL COMPENSATORY EDUCATION PROGRAMS SIMILAR TO TITLE I PROGRAMS.—A State or local program meets the requirements of this subsection if it is similar to programs assisted under this title. The Commissioner shall consider a State or local program to be similar to programs assisted under this subpart if—

"(1) all children participating in the program are educationally deprived,

"(2) the program is based on performance objectives related to educational achievement and is evaluated in a manner consistent with those performance objectives,

"(3) the program provides supplementary services designed to meet the special educational needs of the children who are participating,

"(4) the local educational agency keeps such records and affords such access thereto as are necessary to assure the correctness and verification of the requirements of clauses (1), (2), and (3) of this subsection, and

"(5) the State educational agency monitors performance under the program to assure the requirements of clauses (1), (2), (3), and (4) of this subsection are met.

"(d) BILINGUAL PROGRAMS OR SPECIAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN OR CHILDREN WITH SPECIAL LEARNING DISABILITIES.—A bilingual program for children of limited English-speaking ability or a special program for handicapped children or children with specific learning disabilities meets the requirements of this subsection if such program provides services to children residing in project areas which are comparable to those provided similarly disadvantaged children residing in nonproject areas.

"(e) CERTAIN STATE PHASE-IN PROGRAMS.—A State education program which is being phased into full operation meets the requirements of this subsection if the Commissioner is satisfied that—

"(1) the program is authorized and governed specifically by the provisions of State law;

"(2) the purpose of the program is to provide for the comprehensive and systematic restructuring of the total educational environment at the level of the individual school;

"(3) the program is based on objectives, including but not limited to, performance objectives related to educational achievement and is evaluated in a manner consistent with those objectives;

"(4) parents and school staff are involved in comprehensive planning, implementation, and evaluation of the program;

"(5) the program will benefit all children in a particular school or grade-span within a school;

"(6) schools participating in a program described in a school level plan, program strategies for meeting the special educational needs of educationally deprived children;

"(7) the phase-in period of the program is not more than six school years, except that the phase-in period for a program commenced prior to the date of enactment of the Education Amendments of 1978 shall be deemed to begin on the date of enactment of such amendment;

"(8) at all times during such phase-in period at least 50 per centum of the schools participating in the program are the schools serving project areas which have the greatest number or concentrations of educationally deprived children or children from low-income families;

"(9) State funds made available for the phase-in program will supplement, and not supplant, State and local funds which would, in the absence of the phase-in program, have been provided for schools participating in such program;

"(10) the local educational agency is separately accountable, for purposes of compliance with paragraphs (1) through (6), (8), and (9) of this subsection, to the State educational agency for any funds expended for such program;

"(11) the local educational agencies carrrying out the program are complying with paragraphs (1) through (6), (8), and (9) and the State educational agency is complying with paragraph (10).

"(f) ADVANCE DETERMINATIONS BY THE COMMISSIONER.—The Commissioner shall make an advance determination of whether or not a State program described in subsection (b)(1)(A) or (B) or (b)(2) meets the requirements of subsection (c) or meets the requirements of subsection (e). The Commissioner shall require each State educational agency to submit to him the provisions of

State law together with implementing rules, regulations, orders, guidelines, and interpretations which are necessary for him to make such an advance determination. The Commissioner's determination shall be in writing and shall include the reasons for his determination. Whenever there is any material change in pertinent State law affecting the program, the State educational agency shall submit such changes to the Commissioner.

"(g) ADVANCE DETERMINATION BY THE STATE EDUCATIONAL AGENCY.—The State educational agency shall make an advance determination of whether or not a program described in subsection (b)(1)(C) meets the requirements of subsection (c). The State educational agency shall require each local educational agency to submit the provisions of local law, together with implementing rules, regulations, guidelines, and interpretations which are necessary to make such an advance determination. The State educational agency's determination shall be in writing and shall include the reasons for the determination. Whenever there is any material change in pertinent local law affecting the program, the local educational agency shall submit such changes to the State educational agency.

"LIMITED EXEMPTION TO SUPPLEMENT, NOT SUPPLANT REQUIREMENT WHERE CERTAIN SPECIAL PROGRAMS FOR EDUCATIONALLY DEPRIVED CHILDREN ARE FULLY FUNDED

"SEC. 132. Whenever for a fiscal year—

"(1) a local educational agency provides special State and local funds for programs for educationally deprived chidren which qualify under clause (A), (B), or (C) of section 131(a)(1) for an exception from the comparability and excess costs provisions under such section 131, and

"(2) the amount of such special State and local funds provided in eligible school attendance areas and for eligible schools when added to the Federal funds provided for programs under this subpart equals the funds such agency is eligible to receive for such fiscal year under section 111(a)(2) (without regard to adjustments under section 183), and under subpart 2 of part A,

then the local educational agency may, without being considered in violation of section 126(d), utilize additional State and local funds for special programs and projects which are solely for educationally deprived children residing in nonproject areas or attending nonproject schools, including areas and schools ineligible for assistance under this title. The exemption in the preceding sentence does not apply to the extent the level of such special State and local funds, per child participating in such programs residing in ineligible school attendance areas or attending ineligible schools, exceeds the amount of funds, per child participating in programs in project areas provided to the agency under this part plus the amount of such special State or local funds provided for use in such areas.

"SCHOOLWIDE PROJECTS

"SEC. 133. (a) USE OF FUNDS FOR SCHOOLWIDE PROJECTS.—In the case of any school serving an attendance area that is eligible to receive services under this title and in which not less than 80 per centum of the children are from low-income families (in accordance with criteria established by the Commission), the local educational agency may carry out a project under this title to upgrade the entire educational program in that school if the requirements of subsection (b) are met.

"(b) DESIGNATION OF SCHOOLS.—A school may be designated for a schoolwide project under subsection (a) if—

"(1) a plan has been developed for that school by the local educational agency and has been approved by the State educational agency providing for—

"(A) a comprehensive assessment of the educational needs of all students in the school, in particular the special needs of educationally deprived children, and

"(B) an instructional program designed to meet the special needs of all students in the school;

"(2) the plan has been developed with the involvement of those individuals who will be engaged in carrying out the plan, including parents, teachers, teacher aides, administrators, and secondary students if the plan relates to a secondary school;

"(3) the plan provides for consultation among those individuals as to the educational progress of all students;

"(4) the plan has been approved by the advisory council for that school established under section 125;

"(5) appropriate training is provided to teachers and teacher aides to enable them effectively to carry out the plan;

"(6) the plan includes procedures for evaluation involving the participation of the individuals listed in paragraph (2), and opportunities for periodic improvements in the plan based on the results of those evaluations;

"(7) the average per pupil expenditure in the school (excluding amounts expended under a State compensatory education program) for the fiscal year in which the plan is to be carried out will not be less than such expenditure in that school in the previous fiscal year; and

"(8) the average per pupil amount of Federal, State, and local compensatory education funds available to carry out the plan is at least 32 per centum of the average per pupil expenditure in that local educational agency, except as provided in subsection (c)(1) of this section.

"(c) APPROVAL OF SCHOOL; OPERATION OF PROJECT.—

(1) The State educational agency shall approve the plan of any local educational agency for a schoolwide project if that plan meets the requirements of subsection (b). The State educational agency map approve the plan of a local educational agency for a schoolwide project which does not meet the requirements of clause (8) of subsection (b) if the State educational agency determines (subject to regulations issued by the Commissioner) that implementation of such a plan would be of equal or greater efficiency, measured in terms of cost, and would not cause a dilution of services to children of low-income families eligible for services under this title.

(2) For any school which has such a plan approved, the local educational agency—

"(1) shall, in order to carry out the plan, be relieved of any requirements under this title with respect to the commingling of funds provided under this title with funds available for regular programs;

"(2) shall not be required to identify particular children as being eligible to participate in programs assisted under this title; and

"(3) shall not be required to demonstrate that services provided with funds under this title are supplementary to the services regularly provided in the school.

"NONINSTRUCTIONAL DUTIES

"SEC. 134. Notwithtsanding any provision of subpart 3 of this part, personnel paid entirely by funds made available under the title may be assigned to certain limited, rotating, supervisory duties not related to classroom instruction, the benefits of which are not limited to participating children under this title. Such duties may include only those to which similarly situated personnel not hired with funds made available under the title are assigned at the same school site, and for which such similarly situated personnel are paid, and may not exceed the same proportion of total time as similarly situated personnel at the same school site, or 10 per centum of the total time, whichever is less.

"PART B—PROGRAMS OPERATED BY STATE AGENCIES

"Subpart 1—Programs for Migratory Children

"GRANTS—ENTITLEMENT AND AMOUNT

"SEC. 141 (a) ENTITLEMENT.—A State educational agency or a combination of such agencies shall, upon application, be entitled to receive a grant for any fiscal year under this part to establish or improve, either directly or through local educational agencies, programs of education for migratory children of migratory agricultural workers or of migratory fishermen which meet the requirements of section 142.

"(b) AMOUNT OF GRANT.—Except as provided in sections 155 and 156, the total grants which shall be made available for use in any State (other than Puerto Rico) for this subpart shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States multiplied by (1) the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State full time, and (2) the full-time equivalent of the estimated number of such migratory children aged five to seventeen, inclusive, who reside in the State part time, as determined by the Commissioner in accordance with regulations, except that if, in the case of any State, such amount exceeds the amount required under section 142, the Commissioner shall allocate such excess, to the extent necessary, to other States whose total of grants under this sentence would otherwise be insufficient for all such children to be served in such other States. The total grant which shall be made available for use in Puerto Rico shall be arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States. In determining the full-time equivalent number of migratory children who are in a State during the summer months, the Commissioner shall adjust the number so determined to take into account the special needs of those children for summer programs and the additional costs of operating such programs during the summer. In determining the number of migrant children for the purposes of this section the Commissioner shall use statistics made available by the migrant student record transfer system or such other system as he may determine most accurately and fully reflects the actual number of migrant students.

"PROGRAM REQUIREMENTS

"SEC. 142. (a) REQUIREMENTS FOR APPROVAL OF APPLICATION.—The Commissioner may approve such an application only upon his determination—

"(1) that payments will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of migratory children of migratory agricultural workers or of migratory fishermen, and to coordinate these programs and

projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of such children;

"(2) that in planning and carrying out programs and projects there has been and will be appropriate coordination with programs administered under part B of title III of the Economic Opportunity Act of 1964;

"(3) that such programs and projects will be administered and carried out in a manner consistent with the basic objectives of subpart 3 of part A, other than sections 122, 123, 125, 126(d), and 130 thereof:

"(4) that, in planning and carrying out programs and projects at both the State and local educational agency level, there has been and will be appropriate consultation with parent advisory councils established in accordance with regulations of the Commissioner (consistent with the requirements of section 125(a)); and

"(5) that, in planning and carrying out programs and projects, there has been adequate assurance that provision will be made for the preschool education needs of migratory children of migratory agricultural workers or of migratory fishermen, whenever such agency determines that compliance with this clause will not detract from the operation of programs and projects described in paragraph (1) of this subsection after considering funds available for this purpose.

"(b) CONTINUATION OF MIGRANT STATUS.—For purposes of this subpart, with concurrence of his parents, a migratory child of a migratory agricultural worker or of a migratory fisherman shall be deemed to continue to be such a child for a period, not in excess of five years, during which he resides in the area served by the agency carrying on a program or project under this section. Such children who are presently migrant, as determined pursuant to regulations of the Commissioner, shall be given priority in this consideration of programs and activities contained in applications submitted under this subsection.

"(c) BY-PASS PROVISION.—If the Commissioner determines that a State is unable or unwilling to conduct educational programs for migratory children of migratory agricultural workers or of migratory fishermen, or that it would result in more efficient and economic administration, or that it would add substantially to the welfare or educational attainment of such children, he may make special arrangements with other public or nonprofit private agencies to carry out the purposes of this section in one or more States, and for this purpose he may use all or part of the total of grants available for any such State under this section.

"COORDINATION OF MIGRANT EDUCATION ACTIVITIES

"SEC. 143. (a) ACTIVITIES AUTHORIZED.—The Commissioner is authorized to operate a system for the transfer among State and local educational agencies of migrant student records and to carry out other activities, in consultation with the States, to improve the interstate and intrastate coordination among State and local educational agencies of the educational programs available for migratory students.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for this section not more than 5 per centum of the total amount paid to State educational agencies under section 141.

"Subpart 2—Programs for Handicapped Children

"AMOUNT AND ELIGIBILITY

"SEC. 146. (a) ELIGIBILITY FOR GRANT.—A State agency which is directly responsible for providing free public education for handicapped children (as that term is defined in section 602(1) of the Education of the Handicapped Act), shall be eligible to receive a grant under this subpart for any fiscal year.

"(b) AMOUNT OF GRANT.—Except as provided in sections 156 and 157, the grant which a State agency referred to in subsection (a) (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States), multiplied by the number of such children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by the State agency, including schools providing special education for handicapped children under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available. The grant which Puerto Rico shall be eligible to receive under this section shall be the amount arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States.

"(c) COUNTING OF CHILDREN TRANSFERRING FROM STATE TO LOCAL PROGRAMS.—In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in section 147.

"PROGRAM REQUIREMENTS

"SEC. 147. A State shall use the payments made under this subpart only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of handicapped children. Such programs and projects shall be administered and carried out in a manner consistent with subpart 3 of part A, other than sections 122, 123, 125, 126(d), 126(e), and 130 thereof. The State agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) of section 146 will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

"Subpart 3—Programs for Neglected and Delinquent Children

"AMOUNT AND ENTITLEMENT

SEC. 151. (a) ENTITLEMENT TO GRANTS.—A State agency which is directly responsible for providing free public education for children in institutions for neglected or delinquent children or in adult correctional institutions shall be entitled to receive a grant under this subpart for any fiscal year (but only if grants received under this subpart are used only for children in such institutions).

"(b) AMOUNT OF GRANT.—Except as provided in sections 155 and 156, the grant which such an agency (other than the agency for Puerto Rico) shall be eligible to receive shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1)) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States) multiplied by the number of such children in average daily attendance, as determined by the Commissioner, at schools for such children operated or supported by that agency, including schools providing education for such children under contract or other arrangement with such agency, in the most recent fiscal year for which satisfactory data are available. The grant which Puerto Rico shall be eligible to receive under this subpart shall be the amount arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States.

"PROGRAM REQUIREMENT

"SEC. 152. (a) USE OF PAYMENTS.—A State agency shall use payments under this subpart only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of children in institutions for neglected or delinquent children or in adult correctional institutions. Such programs and projects shall be administered and carried out in a manner consistent with subpart 3 of part A, other than sections 122, 123, 125, 126(d), 126(e), and 130 thereof.

"(b) THREE-YEAR PROJECTS.—Where a State agency operates programs under this title in which children are likely to participate for more than one year, the State educational agency may approve the application for a grant under this subpart for a period of more than one year, but not to exceed three years.

"TRANSITION SERVICES

"SEC. 153. (a) GRANTS AUTHORIZED.—The Commissioner is authorized to make grants to State and local educational agencies to support projects to facilitate the transition of children from State operated institutions for neglected and delinquent children into locally operated programs. Grants under this section shall be used to provide special educational services for such children in schools other than State operated institutions.

"(b) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated for the purposes of this section for any fiscal year, not to exceed 5 per centum of the amount State agencies are entitled to receive under section 151 for that year.

"Subpart 4—General Provisions for State Operated Programs

"RESERVATION OF FUNDS FOR TERRITORIES

"SEC. 156. There is authorized to be appropriated for each fiscal year for purposes of each of subparts 1, 2, and 3 of this part, an amount equal to not more than 1 per centum of the amount appropriated for such year for such subparts, for payments to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands under each such subpart. The amounts ap-

propriated for each such subpart shall be allotted among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for such grants, based on such criteria as the Commissioner determines will best carry out the purposes of this title.

"MINIMUM PAYMENTS FOR STATE OPERATED PROGRAMS

"SEC. 157. For any fiscal year ending prior to October 1, 1983—

"(1) no State shall receive an amount under subpart 1 or subpart 3 of this part which is less than 85 per centum of the amount paid to that State in the preceding fiscal year under that subpart, or under section 122 of this Act as in effect immediately preceding the enactment of this section, whichever the case may be; and

"(2) no State shall receive an amount under subpart 2 of this part which is less than 100 per centum of the amount paid to that State in the preceding fiscal year under that subpart, or under section 121 of this Act as in effect immediately preceding the enactment of this section, whichever the case may be.

"PART C—STATE ADMINISTRATION OF PROGRAMS AND PROJECTS

"Subpart 1—State Applications

"STATE PARTICIPATION

"SEC. 161. (a) ELIGIBILITY FOR PARTICIPATION.—A State is eligible to participate in programs under this title if—

"(1) it has on file with the Commissioner a general State application under section 501 of this Act, and

"(2) it has submitted to the Commissioner a plan meeting the requirements of subsection (b) for the monitoring of compliance by local educational agencies in the State with the requirements of this title and for the enforcement by the State of such requirements.

"(b) STATE MONITORING AND ENFORCEMENT PLAN.—A State monitoring and enforcement plan shall be submitted by the State educational agency at such times (at least once every three years) and in such detail as the Commissioner shall prescribe. The plan shall set forth—

"(1) a schedule of regular visits by State educational agency personnel to projects assisted under this title;

"(2) the matters to be reviewed in such visits;

"(3) procedures for verifying information provided by local educational agencies, including the use of other information available to the State to cross-check that information;

"(4) procedures for regular audits by the State of local educational agency expenditures under this title, and procedures for the recovery of any expenditures determined not to be allowed under this title;

"(5) procedures for resolving each complaint received by the State relating to programs assisted under this title, including complaints referred to the State by the Commissioner and complaints by representatives of children enrolled in private schools and that children are not receiving the services to which they are entitled under this title; and

"(6) a description of the means by which the State educational agency has determined, and will continue to determine, the compliance by local educational agencies with the requirements of section 130, relating to the equitable provision of services to children enrolled in private schools.

"(c) REPORTING.—Each plan submitted by a State educational agency under this section shall include a report, in such form as the Commissioner shall prescribe, of the activities undertaken by the State in the years since the previous plan was filed to carry out its monitoring and enforcement efforts under this title.

"Subpart 2—Responsibilities of State Educational Agencies to Commissioner

"REPORTING

"SEC. 171. Each State educational agency shall make to the Commissioner (A) periodic reports (including the results of objective measurements required by section 123(g) and of research and replication studies) evaluating the effectiveness of payments under this title and of particular programs assisted under it in improving the educational attainment of educationally deprived children and (B) such other reports as may be reasonably necessary to enable the Commissioner to perform his duties under this title (including such reports as he may require to determine the amounts which the local educational agencies of that State are eligible to receive for any fiscal year).

"RECORDKEEPING, FISCAL CONTROL, AND FUND ACCOUNTING

"SEC. 172. Each State educational agency which receives funds under this title shall keep such records as the Commissioner shall prescribe, including records which fully disclose the amount and disposition by such agency of such funds, the total cost of programs and projects in connection with which such funds are used, the amount of that portion of the cost of the program and project supplied by other sources, and such other records as will facilitate an effective audit.

"PROHIBITION ON CONSIDERATION OF FEDERAL AID IN DETERMINING STATE AID

"SEC. 173. No State shall take into consideration payments under this title in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children during that year or the preceding fiscal year.

"PART D—FEDERAL ADMINISTRATION OF PROGRAMS AND PROJECTS

"APPLICABILITY

"SEC. 181. In addition to other requirements contained in this part, the requirements of the General Education Provisions Act which relate to Federal administration of elementary and secondary education programs shall apply to programs carried out under this title.

"APPROVAL OF APPLICATIONS

"SEC. 182. (a) REQUIREMENT FOR APPROVAL.—The Commissioner shall not approve an application under section 161 until he has made specific findings, in writing, that the application complies with this title, and that he is satisfied that the assurances in such application will be carried out.

"(b) HEARINGS.—The Commissioner shall not finally disapprove an application under section 142 or section 161 except after notice and opportunity for a hearing to the State educational agency.

"PROGRAM EVALUATION

"SEC. 183. (a) INDEPENDENT EVALUATIONS.—The Commissioner shall provide for independent evaluations which describe and measure the impact of programs and projects assisted under this title. Such evaluations may be provided by contract or other arrangements, and all such evaluations shall be made by competent and independent persons, and shall include, whenever possible, opinions obtained from program or project participants about the strengths and weaknesses of such programs and projects.

"(b) DEVELOPMENT AND PUBLICATION OF STANDARDS.—The Commission shall develop and publish standards for evaluation of program or project effectiveness in achieving the objectives of this title.

"(c) JOINTLY SPONSORED STUDIES.—The Commissioner shall, where appropriate, consult with State agencies in order to provide for jointly sponsored objective evaluation studies of programs and projects assisted under this title within a State.

"(d) EVALUATION MODELS.—The Commissioner shall provide to State educational agencies, models for evaluations of all programs conducted under this title, for their use in carrying out their functions under this section 501(b)(4) of this Act, which shall include uniform procedures and criteria to be utilized by local educational agencies and State agencies, as well as by the State agency in the evaluation of such programs.

"(e) TECHNICAL ASSISTANCE.—The Commissioner shall provide such technical and other assistance as may be necessary to State educational agencies to enable them to assist local educational agencies and State agencies in the development and application of a systematic evaluation of programs in accordance with the models developed by the Commissioner.

"(f) SPECIFICATION OF OBJECTIVE CRITERIA.—The models developed by the Commissioner shall specify objective criteria which shall be utilized in the evaluation of all programs and shall outline techniques (such as longitudinal studies of children involved in such programs) and methodology (such as the use of tests which yield comparable results) for producing data which are comparable on a statewide and national basis.

"(g) REPORT TO CONGRESS.—The Commissioner shall make a report to the respective committees of the Congress having legislative jurisdiction over programs authorized by this title and the respective Committees on Appropriations no later than February 1 of each calendar year concerning the results of evaluations of programs and projects required under this section, which shall be comprehensive and detailed, as up-to-date as possible, and based to the maximum extent possible on objective measurements, together with other related findings and evaluations and his recommendations with respect to legislation.

"(h) INFORMATION DISSEMINATION.—The Commissioner shall also develop a system for the gathering and dissemination of results of evaluations and for the identification of exemplary programs and projects, or of particularly effective elements of programs and projects, and for the dissemination of information concerning such programs and projects or such elements thereof to State agencies and local educational agencies responsible for the design and conduct of programs and projects under this title, and to the education profession and the general public.

"(i) MAXIMUM EXPENDITURES.—The Commissioner is authorized, out of funds appropriated to carry out this title in any fiscal year, to expend such sums as may be necessary to carry out the provisions of this section, but not to exceed one-half of 1 per centum of the amount appropriated for such programs. In carrying out the provisions of this section, the Commissioner shall place priority on assisting States, local educational agencies, and State agencies to conduct evaluations and shall, only as funds are available after fulfilling that purpose, seek to conduct any national evaluations of the program.

"COMPLAINT RESOLUTION

"SEC. 184. The Commissioner shall develop and implement written procedures for receiving and resolving appeals from final resolutions of State educational agencies with respect to complaints concerning violations of this title or of applicable provisions of the General Education Provisions Act in connection with programs under this title, for receiving such complaints directly from parent advisory councils, parents, teachers, or other concerned organizations or individuals, and for conducting such independent onsite in-

vestigations of complaints if the Commissioner deems necessary. Such procedures shall include—

"(1) specific time limits for resolving the complaint or for completing the review and any necessary independent investigation, which shall not exceed sixty days unless exceptional circumstances exist;

"(2) an opportunity for the complainant, the complainant's representative, the local educational agency, and the State educational agency to present evidence;

"(3) a requirement that the complainant, the complainant's representative, the local educational agency, the State educational agency, State agency, the district parent advisory council, and appropriate school-parent advisory councils shall be notified, in writing, within ten days after the resolution of the appeal of the nature of the resolution, the reasons therefor, and the right to an administrative appeal; and

"(4) dissemination of information concerning the procedures.

"AUDITS AND AUDIT RESOLUTION

"SEC. 185 (a) AUDITING.—The Inspector General of the Department of Health, Education, and Welfare shall make provision for audits of grants made under this title to determine, at a minimum, the fiscal integrity of grant or subgrant financial transactions and reports, and the compliance with applicable statutes, regulations, and terms and conditions of the grant or subgrant.

"(b) AUDIT RESOLUTION AND REPAYMENT.—The Commissioner shall adopt procedures to assure timely and appropriate resolution of audit findings and recommendations arising out of audits provided for in subsection (a). Such procedures shall include timetables for each step of the audit resolution process and an audit appeals process. Where, under such procedures, the audit resolution process requires the repayment of Federal funds which were misspent or misapplied, the Commissioner shall require the repayment of the amount of funds under this title which have been finally determined through the audit resolution process to have been misspent or misapplied. Such repayment may be made from funds derived from non-Federal sources or from Federal funds no accountability for which is required to the Federal Government. Such repayments may be made in either a single payment or in installment payments over a period not to exceed three years.

"WITHHOLDING OF PAYMENTS

"SEC. 186. (a) WITHHOLDING.—Whenever the Commissioner, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there has been a failure to comply substantially with any assurance set forth in the application of that State approved under section 141 or 161 the Commissioner shall notify the agency that further payments will not be made to the State under this title (or, in his discretion, that the State educational agency shall reduce or terminate further payments under this title to specified local educational agencies or State agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, (1) no further payments shall be made to the State under this title, or (2) payments by the State educational agency under this title shall be limited to local educational agencies and State agencies not affected by the failure or, (3) payments to particular local educational agencies shall be reduced, as the case may be. Where partial payments to a local educational agency are continued under this subsection, the expenditure of the payments shall be subject to such conditions as the Commissioner deems appropriate in light of the failure which led to the partial withholding. Pending the outcome of any proceedings under this subsection, the Commissioner may suspend payments to such agency, after such agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

"(b) NOTICE TO PUBLIC OF COMMISSIONER WITHHOLDING.—Upon receipt by a State of a notice under subsection (a) that the Commissioner is withholding payments, the Commissioner shall take such action as may be necessary to bring his action to the attention of the public within the State.

"(c) COMPLIANCE AGREEMENT.—The Commissioner may suspend the initiation or continuation of his withholding action under subsection (a) during any period there is in effect a compliance agreement with the State educational agency under this subsection, except that if the State educational agency fails to comply with the terms agreed to, such an agreement shall no longer be in effect and subsection (a) shall be fully operative. In implementing such subsection, the Commissioner shall take into account any partial compliance by such agency under such agreement. In any case in which a State educational agency desires to enter into a compliance agreement, but alleges that full compliance with the requirements of this title is genuinely not feasible until a future date the Commissioner shall hold a hearing at which that agency shall have the burden of demonstrating that immediate compliance is not feasible. The Commissioner shall provide an opportunity for parents, their representatives, and other interested parties to participate in that hearing. If the Commissioner determines, on the basis of all the evidence presented to him, that immediate compliance is genuinely not feasible, he shall make written findings to that effect before entering into such a compliance agreement with that State educational agency. Any compliance agreement under this subsection shall not be exempt from disclosure under any provision of section 552 of title 5, United States Code. Within fifteen days after the execution of any compliance agreement under this subsection, the Commissioner shall send a copy thereof to each organization or person who filed a complaint with respect to any failure to comply which is covered by that agreement.

"POLICY MANUAL

"SEC. 187. (a) SCOPE AND PURPOSE.—The Commissioner shall, not later than 12 months after the publication of first regulations with respect to the amendments to his title made by the Education Amendments of 1978, prepare and distribute to State educational agencies, State agencies operating programs for neglected and delinquent and handicapped children, local educational agencies, and parent advisory councils established under section 125(a), and shall make available to other interested individuals, organizations, and agencies a title I policy manual to—

"(1) assist such agencies in (A) preparing applications for program funds under this title, (B) meeting the applicable program requirements under this title, and (C) enhancing the quality, increasing the depth, or broadening the scope of activities for programs under this title;

"(2) assist State educational agencies in achieving proper and efficient administration of programs funded under this title;

"(3) assist advisory councils established under section 125(a) in advising the local educational agencies in the planning for, and implementation and evaluation of, programs and projects under this title; and

"(4) insure that officers and employees of the Department of Health, Education, and Welfare, including, but not limited to, officers and employees of the Commissioner and officers and employees of such Department charged with auditing programs carried on under this title, uniformly interpret, apply, and enforce requirements under this title throughout the United States.

"(6) CONTENTS OF POLICY MANUAL.—The policy manual shall, with respect to programs carried on under this title, contain descriptions, statements, procedural and substantive rules, opinions, policy statements and interpretations and indices to and amendments of the foregoing, and in particular, whether or not such items are required under section 552 of title 5, United States Code to be published or made available, the manual shall include (but not be limited to)—

"(1) a statement of the requirements applicable to the programs carried on under this title including such requirements contained in this title, the General Education Provisions Act, other applicable statutes, and regulations issued under the authority of such statutes;

"(2) an explanation of the purpose of each requirement, including appropriate references to legislatve history;

"(3) an explanation of the interrelationships between the applicable requirements;

"(4) a statement of the procedures to be followed by the Commissioner and the Secretary with respect to proper and efficient performance of their administrative responsibilities, including but not limited to (A) approving State applications or State plans, (B) distributing grants to appropriate agencies, (C) resolving problems discovered during monitoring visits, (D) resolving financial exceptions disclosed during audits, (E) collecting outstanding claims arising out of activities under this title, (F) resolving complaints, (G) responding to requests for advisory opinions interpreting and applying standards contained in applicable statutes and regulations to the public, (H) identifying and publicizing exemplary programs, and (I) making public final audit determinations of the Commissioner;

"(5) summaries of (i) advisory opinions referred to in subsection (b)(4)(G) of this section and (ii) final audit determinations referred to in subsection (b)(4)(I), including examples of actual applications of the legal requirements of applicable statutes and regulations;

"(6) model forms and instructions developed by the Commissioner for use by State and local educational agencies, at their discretion, including, but not limited to, application forms, application review checklists, and instruments for monitoring programs operated by applicant agencies;

"(7) summaries of appropriate court decisions concerning programs under this title;

"(8) examples of methods of distributing State and local funds which do and do not satisfy the applicable requirements under this title; and

"(9) model forms, policies, and procedures developed by State educational agencies.

"ENFORCEMENT REPORT

"SEC. 188. The Commissioner shall, not later than the end of the first, third, and fifth fiscal years beginning after the date of enactment of the Education Amendments of 1978 submit to the Congress a report concerning the enforcement of this title. The report submitted in the third and fifth such fiscal years shall contain—

"(1) an analysis, for each State which has an application approved for that year under section 182, of the extent to which the assurances, policies, and procedures of that State submitted as part of that application satisfy the requirements of this title,

"(2) a description for each such State of the manner in which monitoring reports of the Commissioner were taken into consideration in the approval of such applications,

"(3) a description, with respect to appropriate States, of the manner in which unresolved audit and program monitoring findings were taken into consideration in the approval of such applications,

"(4) a description for each such State of the manner in which the annual evaluation report of that State was taken into consideration in the approval of such applications,

"(5) a summary of the findings of the Commissioner's on-site monitoring visits, of the actions taken by State educational agencies to correct problems identified in each report based on such visits, and of the number, type, and location of problems which have been so identified but which have not been corrected as of the date of the submission of the annual enforcement report under this section,

"(6) with respect to audits conducted under this title, (A) the number and type of audits conducted in the year preceding the date of submission of the report, (B) the identity of each State or local educational agency audited during that year, (C) the resolution status of each outstanding audit, including the dates on which each step of the resolution process with respect to such outstanding audit was completed, the schedule for completion of such process, the amount of the financial exceptions noted in final audit reports and in letters of final determination, and an explanation of any differences in such amounts as noted in draft audit reports, final audit reports, and letters of final determination, (D) the number and identity of any States which did not appeal to the audit hearing board for title I with respect to audits conducted during that year and the status of recoupment activities for each such State, (E) the number and identity of States which appealed to such board during that year and the status of each active appeal, (F) the number and identity of States which have completed such appeals during that year and the status of recoupment activities with respect thereto, (G) the number and type of any cases referred to the Attorney General during that year for collection of misspent funds, (H) the amount of any funds recovered during that year as a result of such audit resolution process, (I) an analysis of the type of violations identified in final audit reports, letters of final determination, and final decisions of the audit hearing board for title I and of the Commissioner on appeal from the decisions of such board, (J) a summary of audit followup actions conducted during that year for the purpose of determining that deficiencies which led to financial audit exceptions or audit findings of procedural noncompliance have been corrected, (K) a description of audits planned for the year succeeding the date of the submission of the report, and (L) recommendations for improvement of the audit resolution process. and

"(7) with respect to complaints made to the Commissioner concerning programs under this title during the year preceding the date of submission of the report under this section, the number and type of complaints, the identity of the State and local educational agencies, the action taken by the Commissioner to resolve the complaints, and the number and type of complaints which remain unresolved as of the date of such submission.

"PART E—PAYMENTS

"PAYMENT METHODS

"SEC. 191. The Commissioner shall, from time to time pay to each State, in advance or otherwise, the amount which it and the local educational agencies of that State are eligible to receive under this title. Such payments shall take into account the extent (if any) to which any previous payment to such State educational agency under this title (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it.

"AMOUNT OF PAYMENTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 192. From the funds paid to it pursuant to section 121 each State educational agency shall distribute to each local educational agency of the State which is eligible to receive a grant under this title and which has submitted an application approved pursuant to section 121 the amount for which such application has been approved.

"ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS

"SEC. 193. (a) ADJUSTMENT ALLOCATION.—If the sums appropriated for any fiscal year for making the payments provided in this title other than amounts appropriated for subpart 2 of part A are not sufficient to pay in full the total amounts which all local and State educational agencies are entitled to receive under this title for such year, the amount available for each grant to a State agency eligible for a grant under subpart 1, 2, or 3 of part B shall be equal to the total amount of the grant as computed under each such subpart. If the remainder of such sums available after the application of the preceding sentence is not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under subpart 1 of part A of this title for such year, the allocations to such agencies shall, subject to adjustments under the next sentence, be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amounts so appropriated. The allocation of a local educational agency which would be reduced under the preceding sentence to less than 85 per centum of its allocation under subpart 1 of part A for the preceding fiscal year, shall be increased to such amount, the total of the increases thereby required being derived by proportionately reducing the allocations of the remaining local educational agencies, under the preceding sentence, but with such adjustments as may be necessary to prevent the allocation to any remaining local educational agency from being thereby reduced to less than 85 per centum of its allocation for such year.

"(b) ADDITIONAL FUNDS ALLOCATION.—In case additional funds become available for making payments under this title for that year, allocations that were reduced pursuant to subsection (a) shall be increased on the same basis that they were reduced. In order to permit the most effective use of all appropriations made to carry out this title, the Commissioner may set dates by which (1) State educational agencies must certify to him the amounts for which the applications of educational agencies have been or will be approved by the State and (2) State educational agencies referred to in subpart 1 of part B must file applications. If the maximum grant a local educational agency would receive (after any ratable reduction which may have been required under subsection (a) or (b) of this section) is more than an amount which the State educational agency determines, in accordance with regulations prescribed by the Commissioner, such agency will use, the excess amount shall be made available first to educational agencies in that State. Determinations of the educational agencies to which such excess amounts shall be made available shall be made by the State educational agency in furtherance of the purposes of this title in accordance with criteria prescribed by the Commissioner which are designed to assure that such excess amounts will be made available to other eligible educational agencies with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by, the application of the provisions of paragraph (2) of section 111(a) as a result of such factors as population shifts and changing economic circumstances. In the event excess amounts remain after carrying out the preceding two sentences of this section, such excess amounts shall be distributed among the other States as the Commissioner shall prescribe for use by local educational agencies in such States for the purposes of this title in such manner as the respective State educational agencies shall prescribe.

"RESERVATION OF FUNDS

"SEC. 194. Of the amounts appropriated for any fiscal year for carrying out the provisions of this title, not less than $400,000,000 or the amount appropriated for the preceding fiscal year, whichever is greater, shall be made available first for carrying out the provisions of section 117, and not less than the amount appropriated for the preceding fiscal year shall be made available for carrying out the provisions of section 116.

"PART F—GENERAL PROVISIONS

"JUDICIAL REVIEW

"SEC. 195. (a) FILING.—If any State is dissatisfied with the Commissioner's final action with respect to the approval of its application submitted under subpart 1 or part B or section 161 or with his final action under section 185 or 186, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(b) FINDINGS OF FACT, CONCLUSIVE.—The findings of fact by the Commissioner, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) REVIEW.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"NATIONAL ADVISORY COUNCIL

"SEC. 196. (a) COUNCIL ESTABLISHED.—There shall be a National Advisory Council on the Education of Disadvantaged Children (hereinafter in this section referred to as the 'National Council') consisting of fifteen members appointed by the President, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, for terms of three years, except that (1) in the case of initial members, five shall be appointed for terms of one year each and five shall be appointed for terms of two years each, and (2) appointments to fill vacancies shall be only for such terms as remain unexpired. The National Council shall meet at the call of the Chairman.

"(b) FUNCTIONS.—The National Council shall review and evaluate the administration and operation of this title, including its effectiveness in improving the educational attainment of educationally deprived children, including the effectiveness of programs to meet their occupational and career needs, and make recommendations for the improvement of this title and its administration and operations. These recommendations shall take into consideration experience gained under this and other Federal educational programs for disadvantaged children and, to the extent appropriate, experience gained under other public and private educational programs for disadvantaged children.

"(c) REPORTS.—The National Council shall make such reports of its activities, findings, and recommendations (including recommendations for changes in the provisions of this title) as it may deem appropriate and shall make an annual report to the President and the Congress not later than March 31 of each calendar year. Such annual report shall include a report specifically on which of the various compensatory education programs funded in whole or in part under the provisions of this title, and of other public and private educational programs for educationally deprived children, hold the highest promise for raising the educational attainment of these educationally deprived children. The President is requested to transmit to the Congress such comments and recommendations as he may have with respect to such report. Subject to section 448 (b) of the General Education Provisions Act, the National Council shall continue to exist until October 1, 1983.

"LIMITATION ON GRANT TO PUERTO RICO

"SEC. 197. The amount paid to Puerto Rico under this title for any fiscal year shall not exceed 150 per centum of the amount received by Puerto Rico in the preceding fiscal year, and any excess over that amount shall be used to ratably increase the allocations under section 111 of the other local educational agencies in the country whose allocations do not exceed the maximum amount for which they are eligible under section 111.

"DEFINITIONS

"SEC. 198. Except as otherwise provided, for purposes of this title:

"(1) Average daily attendance shall be determined in accordance with State law, except that not withstanding any other provision of this title, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this title the attendance of such child at such school shall be held and considered (A) to be in attendance at a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be in attendance at a school of the local educational agency receiving such tuition payment or entitled to receive such payment under the contract.

"(2) The term 'average per pupil expenditure' means in the case of a State or the United States, the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all local educational agencies in the State, or in the United States (which for the purposes of this subsection means the fifty States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

"(3) The term 'Commissioner' means the United States Commissioner of Education.

"(4) The term 'construction' includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

"(5) The term 'county' means those divisions of a State utilized by the Secretary of Commerce in compiling and reporting data regarding counties.

"(6) The term 'current expenditures' means expenditures for free public education, including expenditures for administration, instruction, attendance, and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under this title or parts B and C of title IV of this Act.

"(7) The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law, and the term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

"(8) The term 'equipment' includes machinery, utilities, and building equipment and any necessary enclosure or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, and books, periodicals, documents, and other related materials.

"(9) The term 'free public education' means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade 12.

"(10) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

"(11) The term 'parent' includes a legal guardian or other person standing in loco parentis.

"(12) The term 'project area' means a school attendance area having a high concentration of children from low-income families which, without regard to the locality of the project itself, is designated as an area from which children are to be selected to participate in a program or project assisted under this title.

"(13) The term 'school attendance area' means in relation to a particular school, the geographical area in which the children who are normally served by that school reside.

"(14) The term 'school facilities' means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading, and improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public.

"(15) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"(16) The term 'State' means a State, Puerto Rico, Wake Island, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(17) The term 'State educational agency' means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

"AMENDMENTS TO RELATED ACTS

"SEC. 199. (a) Section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended—

"(1) by striking out, 'except as used in title II', where it appears in paragraph (2);

"(2) by striking out, ', except that for purposes of title II such term does not include any education provided beyond grade 12',— where it appears in paragraph (4);

"(3) by striking out, "title II of this act or title II or III of the Elementary, Secondary, Education Act of 1965" and inserting "of the Elementary, Secondary Education Act of 1978."

"(4) by striking out, '(A)' where it appears in paragraph (6) and by striking out subparagraph (B) of such paragraph;

"(5) by striking out ', and for purposes of Title II, such term includes the Trust Territory of the Pacific Islands" in paragraph (8); and

"(6) by striking out paragraphs (15), (16), and (17).

"(b)(1) Title II of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is repealed.

"(2) Section 431A(b) of the General Education Provisions Act is amended by striking out paragraph (2) thereof, and by redesignating paragraph (3) as paragraph (2).

"(c) Section 101(a)(1) of the Education Amendments of 1974 is amended by striking out 'part A' and inserting in lieu thereof 'subpart 1 of part A and part B'.

"TITLE II—IMPACT AID AMENDMENTS

"PART A—PUBLIC LAW 874

"GENERAL EXTENSIONS OF PUBLIC LAW 874

"SEC. 201. (a) Section 2(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out '1978' and inserting in lieu thereof '1983'.

"(b) Section 3(b) of such Act is amended by striking out '1978' and inserting in lieu thereof '1983'.

"(c) Section 4(a) of such Act is amended by striking out '1978' and inserting in lieu thereof '1983'.

"(d)(1) Subparagraph (A) of second paragraph (2) of section 305(a) of the Education Amendments of 1974 is amended by striking out '1978' and inserting in lieu thereof '1983'.

"(2) Paragraph (B) of such paragraph (2) is amended by striking out '1978' and inserting in lieu thereof '1983'.

"(3) Subparagraph (C) of such paragraph (2) is amended by striking out '1978' and inserting in lieu thereof '1983'.

"(4) Subparagraph (D) of such paragraph (2) is amended by striking out '1978' and inserting in lieu thereof '1983'.

"REVISION OF JURISDICTIONAL LIMITS ON LOCATIONS OF FEDERAL PROPERTY

"SEC. 202. (a) Section 3(b)(2)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by inserting before the comma the following: ', or in whole or in part in the school district of such agency if the school district is located in more than one county'.

"(b) Section 3(b)(2)(B) is amended by inserting after 'county' the following: 'or district'.

"PAYMENTS FOR HANDICAPPED CHILDREN OF MILITARY PERSONNEL AND INDIANS

"SEC. 203. Section 3(d)(2)(C)(i) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out 'multiplied by 150 per centum.' and inserting in lieu thereof 'plus the cost of providing such children with a free appropriate public education in accordance with part B of the Education of the Handicapped

Act in such agency minus the contribution to such cost made by funds received under such Act.'.

"PROVISIONS REGARDING HEAVILY IMPACTED SCHOOL DISTRICTS

"SEC. 204. (a) Section 3(d) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended—

"(1) in paragraph (2)(B) thereof, by striking out 'clause (1) of' each time it appears therein; and

"(2) in the first sentence of such paragraph, by striking out 'the Commissioner is authorized, to', and inserting in lieu thereof 'the Commissioner shall'.

"(b)(1) Paragraph (2)(A) of section 5(c) of such Act is amended to read as follows:

"'(A) to each local educational agency—

"'(i) with respect to which the local contribution rate has been increased under paragraph (2)(B) of section 3(d), which equals 75 per centum of the amount to which such agency is entitled as computed under section 3(d) for such fiscal year; and

"'(ii) described in clause (A) of section 3(d)(1) which equals 75 per centum of the amount to which such agency is entitled, as computed under section 3(d), with respect to a determination of number of children under section 3(a) and section 3(b)(3) for such fiscal year;'

"(2) Paragraph (2)(D) of such section 5(c) of such Act is amended by inserting after 'section 3(b)' the following: '(other than such children with respect to whom a payment is made under clause (A)(ii) of this paragraph)'.

"ABSORPTION

"SEC. 205. Subparagraph (A) of paragraph (2) of section 3(d) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is hereby repealed.

"EARLY PAYMENTS ON THE BASIS OF ESTIMATES

"SEC. 206. Subsection (b) of section 5 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by inserting '(1)' after '(b)' and by adding at the end thereof the following new paragraph:

"'(2) Not later than thirty days after the beginning of any fiscal year the Commissioner shall, on the basis of any application for preliminary payment from any local educational agency which was eligible for a payment during the preceding fiscal year on the basis of entitlements established under section 2 or 3, make such a payment to such agency not less than 75 per centum of the amount that such agency received during such preceding fiscal years.'".

"PUBLIC HOUSING CHILDREN

"SEC. 207. Section 5 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out subsection (e) thereof.

"HEARINGS

"SEC. 208. Section 5 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new subsection:

'(g) Each local educational agency which is adversely affected or aggrieved by any action of the Commissioner under this title shall be entitled to a hearing on, and review of, such action in the same manner as if such agency were a person under the provisions of chapters 5 and 7 of title 5, United States Code.'.

"CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

"SEC. 209. (a) Section 6(a)(2) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by inserting after '(5) the Performance Rating Act of 1950, as amended (5 U.S.C. 2001 et seq.)' the following: 'Personnel provided for under this subsection outside of the continental United States, Alaska, and Hawaii, shall receive such compensation, tenure, leave, hours of work, and other incidents of employment on the same basis as provided for similar positions in the public schools of the District of Columbia.'.

"(b) Section 6(c) of such Act is amended by striking out everything after 'United States' and inserting in lieu thereof the following: 'in a grade, position, or classification subject by policy and practice to transfer or reassignment to areas where English is the language of instruction in the schools normally attended by children of Federal employees. In any case where education is being provided under an arrangement made under this subsection it shall be presumed that no local educational agency is able to provide suitable free public education for the children of eligible parents employed by the United States until the Commissioner determines, after consultation with the appropriate State educational agency, that a local educational agency is able to do so.'.

"(c) Section 6(d) of such Act is amended by inserting at the end thereof the following: 'The Commissioner shall insure that funds provided under such arrangement or arrangements are expended in an efficient manner, and shall require an accounting of funds by such agency at least on an annual basis. The Commissioner shall further be provided with data relating to the quality and type of education provided to such chidren under such arrangement or arrangements.'.

"(d) Section 6 of such Act is amended by adding at the end thereof the following new subsections:

'(g) The Commissioner shall insure the establishment of an elective school board in schools assisted under this section. Such school board shall be composed of a minimum of three members, elected by the parents of students in attendance at such school. The Commissioner by regulation shall establish procedures for carrying out such school board elections as provided in this subsection.

'(h) A school board as provided in subsection (g) shall be empowered to oversee school expenditures and operations, subject to audit procedures established by the Commissioner, and other provisions of this section.'.

"PROMPT CONSIDERATION FOR APPLICATIONS

"SEC. 210. (a) Section 7(d) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by adding at the end thereof a new sentence to read as follows: 'In any case in which the Commissioner does not complete, within sixty days, all action leading to approval or disapproval of an application filed under this section, the Secretary of Health, Education, and Welfare shall assume responsibility for such approval or disapproval of such application and shall complete such action within ninety days of the filing of such application.'.

"(b) Section 16(c) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by adding at the end thereof a new sentence to read as follows: 'In any case in which the Commissioner does not complete, within sixty days, all action leading to approval or disapproval of an application filed under this section, the Secretary of Health, Education, and Welfare shall assume responsibility for such approval or disapproval of such application and shall complete such action within ninety days of the filing of such application.'.

"PROPERTY OWNED BY FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS; POSTAL SERVICE PROPERTY

"SEC. 211. (a) The second sentence of paragraph (1) of section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out 'and (D)' and inserting in lieu thereof '(D)' and by striking out the period at the end thereof and inserting in lieu thereof the following: 'and (E) any property owned by a foreign government or by an international organization which by reason of such ownership is not subject to taxation by the State in which it is located or a subdivision thereof.'.

"(b) Such paragraph (1) is further amended by inserting immediately before the period at the end of the fourth sentence ', except that such term shall include all real property which is owned by the United States Postal Service which is not subject to any State or local real property tax used for the support of free public education.'.

"DEFINITION OF LOCAL EDUCATIONAL AGENCY AMENDMENT

"SEC. 212. Section 403(6)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), is amended by striking out 'free public education' and inserting in lieu thereof 'free public elementary and secondary education through grade 12'.

"HANDICAPPED CHILDREN

"SEC. 213. Paragraph (10) of section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new sentence: 'A child shall, for the purposes of section 3, be deemed to be in attendance at a school of a local educational agency if such child is determined to be federally connected under clause (1) or (2) of section 3(a) or under clause (1), (2), or (3) of section 3(b) for any fiscal year and if such child is attending a school other than a school of such agency because such child is handicapped (as defined in section 602(1) of the Education of the Handicapped Act) and if such agency makes a tuition payment on behalf of such child to such school for such fiscal year.'.

"USE OF AVERAGE DAILY MEMBERSHIP

"SEC. 214. Paragraph 10 of section 403 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is further amended by adding at the end thereof the following new sentence: 'Regulations promulgated by the Commissioner in accordance with clause (A) of this paragraph shall permit the conversion of average daily attendance for local educational agencies in States which reimburse local educational agencies based upon average daily membership and which do not require local educational agencies to keep records based on average daily membership and which do not require local educational agencies to keep records based on average daily attendance.'.

"PART B—PUBLIC LAW 815

"GENERAL EXTENSIONS OF PUBLIC LAW 815

"SEC. 221. (a) Sections 3 and 16 of the Act of September 23, 1950 (Public Law 815), Eighty-first Congress), are each amended by striking out '1978' and inserting in lieu thereof '1983'.

"(b) Section 15(15) of such Act is amended by striking out '1973–1974' and inserting in lieu thereof '1978–1979'.

"DETERMINATION OF NUMBER OF CHILDREN

"SEC. 222. Section 5(a) of the Act of September 3, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

'(1) the estimated increase, since the base year, in—

'(A) the number of children determined with respect to such agency under section 3(a)(2) of the Act of September 30, 1950, multiplied by 100 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated;

'(B) the number of children determined with respect to such agency under section 3(b)(1) and such Act multiplied by 90 per centum of such cost; '(2) the estimated increase, since the base year, in—

'(A) the number of children determined with respect to such agency under section

3(b)(3) of such Act multiplied by 50 per centum of such cost; and

'(B) the number of children determined with respect to such agency under section 3(b) (1) and (2) of such Act multiplied by 45 per centum of such cost;'.

"CONSTRUCTION ARRANGEMENTS

"SEC. 223. Section 10(a) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended by inserting ', leasing, renovating, remodeling, or rehabilitating' after 'arrangements for constructing' and after 'this section for constructing'.

"DISASTER ASSISTANCE

"SEC. 224. Section 16(a) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress), is amended by striking out the last sentence in the matter following paragraph (6).

"PART C—GENERAL PROVISIONS

"EFFECTIVE DATE

"SEC. 231. The amendments made by this title shall be effective with respect to fiscal year 1979 and subsequent fiscal years, except that the provisions of section 212 shall take effect on October 1, 1979.

"TITLE III—ELEMENTARY AND SECONDARY SCHOOL ASSISTANCE

"Part A—General Provisions

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 301. There are hereby authorized to be appropriated $3,326,000,000 for the fiscal year ending September 30, 1979, $3,950,000,000 for the fiscal year ending September 30, 1980, $4,127,000,000 for the fiscal year ending September 30, 1981, and $4,265,000,000 for each of the two succeeding fiscal years for the purposes of carrying out this title.

"ALLOCATION OF FUNDS

"SEC. 302. From the sums appropriated pursuant to section 301, the Commissioner shall first reserve an amount not to exceed one percent of those sums for distribution to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance. From the remainder of those sums he shall allocate for the purpose of carrying out Part C of this title an amount which bears the same ratio to such remainder as the total enrollment in non-public elementary and secondary schools in all States bears to the total enrollment in public and non-public elementary and secondary schools in all the States, and he shall allocate the remaining sum for the purpose of cvarrying out Part B of this title.

"DEFINITIONS

"SEC. 303. As used in this title—

(1) The term 'Commissioner' means the U.S. Commissioner of Education.

"(2) The term 'public elementary and secondary education' means education which is provided at public expense, under public supervision and direction, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade 12.

"(3) The term 'elementary school' means a day or residential school which provides elementary education, as determined under State law.

"(4) The term 'secondary school' means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

"(5) The term 'State' means the fifty States, the District of Columbia, and the Commonwealth of Puerto Rico.

"PART B—PUBLIC EDUCATION ASSISTANCE

"USE OF APPROPRIATED FUNDS

"SEC. 310. Funds made available to the States under this part shall be used in accordance with State law for the improvement of public elementary and secondary education (including pre-school education) within each State.

"ALLOTMENT TO STATES

"SEC. 311. (a) From the sums made available for the purposes of this part pursuant to section 302 the Commissioner shall allot to each State an amount which bears the same ratio to such sums as the average daily enrollment in the public elementary and secondary schools of such State bears to the average daily enrollment in the public elementary and secondary schools of all the States, as determined by the Commissioner for the most recent year for which satisfactory data is available.

"(b) From the sums allotted to each State for each fiscal year pursuant to subsection (a), the Commissioner shall make payments to such State, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

"PART C—NON-PUBLIC EDUCATIONAL ASSISTANCE

"SHORT TITLE; PURPOSE

"SEC. 320. (a) This part may be cited as the 'Non-public Educational Assistance Act of 1978'.

"(b) The Congress finds and declares that—

"(1) non-public schools play a vital role in the educational system of this country;

"(2) such schools have contributed significantly to the quality of education in America;

"(3) a strong and diversified American system of education requires the continued viability of these nonpublic schools; and

"(4) a Federal program of grants is needed to assist these schools.

"GRANTS TO NON-PUBLIC SCHOOLS

"SEC. 321. (a) The Commissioner is authorized to make grants to non-public elementary and secondary schools for the purposes set forth in subsection (b).

"(b) Grants made under subsection (a) may be used only for—

"(1) secular textbooks, to non-public elementary and secondary school students which are approved by the State educational agency for use in public elementary and secondary schools in the State;

"(2) standardized tests and scoring services for the use of non-public elementary and secondary school students which are in use in the public schools of the State;

"(3) providing speech and hearing diagnostic services to pupils attending non-public schools, if such services are provided in the non-public school attended by the pupil receiving the services;

"(4) providing diagnostic psychological service to pupils attending non-public schools if such services are provided in the non-public school receiving the services;

"(5) providing guidance and counseling (A) to advise students of courses of study best suited to their ability, aptitude, and skills, (B) to advise students in their decisions as to the type of educational program they should pursue, the vocation they should train for and enter, and the job opportunities in the various fields, and (C) to encourage students with outstanding aptitudes and ability to complete a course of study necessary for admission to institutions of higher education;

"(6) providing secular, neutral, and nonideological instructional materials and instructional equipment, which are incapable of diversion to religious use, and which we incapable of being affixed to the non-public school facility and which are capable of portability from the school to the home by the students of the non-public school; and

"(7) providing necessary transportation to and from non-public elementary and secondary schools to non-public elementary and secondary school children.

"(c)(1) Textbooks described in clause (1) of subsection (b), including book substitutes, shall be limited to books, reusable workbooks, or manuals, whether bound or in looseleaf form, intended for use as a principal source of study material for a class or a group of students, a copy of which shall be available for the individual use of each pupil in such class or group.

"(2) Tests and services described in clause (2) of subsection (b) must be used to measure the progress of nonpublic school students in secular subjects and to identify those non-public school students who are gifted and talented.

"OFFICE OF NON-PUBLIC EDUCATION

"SEC. 322. (a) There shall be, in the Office of Education, an Office of Non-public Education, to carry out the provisions of this part and to insure the maximum potential participation of non-public schools in all other Federal educational programs.

"(b) The Office shall be headed by the Deputy Commissioner for Non-public, Education, who shall be appointed by the Commissioner.

"APPLICATION

"SEC. 323. Financial assistance may be made under this part only upon an application to the Commissioner. Each such application shall contain assurances that any funds received by the non-public elementary or secondary school under this title shall be used only to carry out the purposes of this part.

"EXPEDITED REVIEW OF CONSTITUTIONALITY; SEVERABILITY

"SEC. 324. (a) In any action brought in a district court of the United States, including an action for declaratory judgment or injunctive relief, concerning the constitutionality of any provision of this part, the district court shall certify immediately all questions of constitutionality of such provision to the United States Court of Appeals for the circuit involved, which shall hear the matter sitting en banc.

"(b) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought not later than 20 days after the decision of the Court of Appeals.

"(c) It shall be the duty of the Court of Appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposiion of any matter certified under paragraph (a).

"(d) If any provision of this part, or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of such section and the application of such provisions to other persons or circumstances, shall not be affected.

"DEFINITIONS

"SEC. 325. For the purpose of this part

"(1) the term 'non-public elementary school' means an elementary school as defined in section 303(3) of this title which is privately operated but only if it is—

"(A) accredited or approved under State law (or, in the case of a school in a State which has no procedure for the accreditation or approval of privately operated schools, which meets the requirements of State law relating to compulsory school attendance), and

"(B) exempt from taxation under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501 (c)(3) of such Code; and

"(2) the term 'non-public secondary school' means any secondary school as defined in section 303(4) of this title and which is privately operated but only if it is—

"(A) accredited or approved under State law (or, in the case of a school in a State which has no procedure for the accreditation or approval of privately operated schools, which meets the requirements of State law relating to compulsory school attendance), and

"(B) exempt from taxation under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501 (c)(3) of such Code.

AMENDMENT No. 3510

Page 377, after line 16, insert a new section as follows:

SEC. 410. Part C of the General Education Provisions Act is amended by inserting after section 439 a new section 440 as follows:

"Statement of Effect on Basic Cognitive Skills

"SEC. 440 (a) Each recipient of Federal funds (through grant, subgrant, contract, or subcontract) under any applicable program which is to be operated in or have an affect on elementary or secondary education shall include as a part of the application for such assistance a statement—

"(1) describing the intended effect (if any) on the improvement of basic cognitive skills of students and

"(2) which sets forth a method of determining over a period of five years or the length of the program or project for which assistance is requested, whichever is longer, the affect of the program or project on the improvement of basic cognitive skills, and provides for making such determinations.

"(b) The Assistant Secretary shall maintain a file containing each such statement required under subsection (a), taken from the application, together with the results of any determinations of the affect of the program or project on the improvement of basic cognitive skills of students, which file shall be available for public inspection and the contents made available to committees of the Congress or to individual Members of Congress upon their request.

"(c) For the purpose of this section—

"(1) the term 'application' includes

"(A) an application for a grant,

"(B) an offer to make a contract,

"(C) a State plan for the administration of such a program, and

"(D) any other methods for seeking Federal funds under any applicable program; and

"(2) the term 'basic cognitive skills' must include reading, written composition, and mathematical computation."

AMENDMENT No. 3511

Page 377, after line 16, insert a new section as follows:

"SEC. 410. Section 439 of the General Education Provisions Act (relating to 'Protection of Pupil Rights') is amended by inserting '(a)' after '439' and by adding at the end thereof a new subsection as follows:

"(b) No student shall be required, as part of any applicable program—

"(1) to submit to psychiatric examination, testing, or treatment, or psychological examination, testing, or treatment, the primary purpose of which is other than achievement or aptitude testing as defined in this Act,

"(2) to reveal information about this personal or family life (other than personal or family income information required by law to determine eligibility for participation in a program or for receiving financial assistance under such program), or

"(3) to participate in any project which involves surveying, analyzing, or evaluating the personal values, attitudes, or beliefs of the student, without the prior consent of the student (if the student is an adult or an emancipated minor), or in the case of an unemancipated minor, without the prior, written consent of a parent or guardian who has first been informed of the purpose of such examination, test, treatment or information sought to be obtained."

● Mr. HATCH. Mr. President, before explaining the reasons and providing a brief description of my proposed substitute legislation to S. 1753, I would first like to present a capsuled summary of each of my two amendments to the reported version of the Elementary and Secondary Education Act legislation.

First, my amendment on cognitive skills adds a new section to the General Education Provisions Act as included in S. 1753. As connoisseurs of this bill know, the General Education Provisions Act is designed to focus attention on Federal education programs and projects which are claimed to improve basic academic skills of elementary and secondary school students. My amendment would require that the application for each such program or project state whether or not the improvement of such skills is of the purpose of the activity for which the funds are requested, and that this application describe the intended effect of the program on such skills. It also requires, for all those programs or projects authorized in the act which are intended to improve basic skills, a study over 5 years to determine the actual effect of such activity. Finally, the statement in the application, and the results of the followup studies, would be made available to both the Congress and to the public once such information is compiled.

Mr. President, it is an open secret that the No. 1 problem our Nation faces in our elementary and secondary schools today is academic failure on a massive scale. This directly translates into unemployment, rising welfare costs, crime and all that which accompanies a continuous cycle of poverty.

Perhaps there are those who upon reflection on the dismal condition and plummeting test scores of our Nation's elementary and secondary schoolchildren, conclude that we are suddenly confronted with a generation of dull, of unteachable and abnormal children. But most of us know that this is not the case. We know that fewer changes have occurred in family surroundings, in environment or in children's diet than in the kinds and level of programing of education by the Federal Government over the last two decades.

In light of this, it is particularly important that we zero in on these programs; that we identify what they are, and what they precisely do to improve students' performance in the basic skills of reading, writing and mathematics; that we find out more revealing information about these projects and programs that are so often camouflaged in the ambiguous, brief annotated descriptions attached to each respective program section. I want to be very clear that it is not my intent to challenge the integrity or the competence of any of the educators or, as is too often the case, any noneducators responsible for putting together a whole or part of any of the programs I am here describing. I am simply trying to make a cogent case for the obvious, namely, that the designers of these programs are human. They are just people, and they can be wrong. And it is because they are fallible, that like all of us they can never be too removed from further comment or suggestion intended to improve the quality of a program. For this reason, especially, my amendment is offered in order to give a complete description and impact report of these various educational projects and programs coming under the ESEA titles so that this information be made available to educators, to legislators and to the taxpayers whom destiny has chosen to pay for all of this.

I have called this my "cognitive skills" amendment, doing so because it would provide the Congress and the public with the kind of information we need to redirect that area of our educational system dealing with the actual learning skills of students as defined in this act. My amendment poses no danger, clear, present or otherwise, to the Department of HEW—saying this as if for one minute to assume that the Department of HEW would ever lose an hour of agency's sleep over anything done by mere mortals like Senators or Congressmen. In short, this amendment would redirect Federal educational legislation to get the most for the taxpayer's money, or if you will, more "bang for the buck" in improving performance in basic educational skills. Naturally, I feel it is a reasonable amendment—as are all my amendments—and I look forward to discussing it on the floor with my colleagues during the impending consideration of S. 1753.

Moving on, I would now like to say a brief word about my parental consent amendment to the Elementary and Secondary Education Act. Insofar as I sent around a colleague letter on this matter on July 18, I will simply present here today the most basic purposes of the amendment.

In doing so, I would like to thank several of my colleagues, those who requested to cosponsor this measure; those distinguished friends being Senators BARTLETT, GARN, MCCLURE, WALLOP, and ZORINSKY. I would also like to pay tribute to Senator Zorinsky who first alerted the Congress to the potential problems our "parental consent" amendment will address. As always, our independent-minded colleague from Nebraska was ahead of his time, and I am confident that the benefit of his wise counsel will become all the more apparent to everyone in this Chamber during the course of the forthcoming discussion.

Our parental consent amendment takes into account the following: Much of the money authorized in particular titles of the ESEA go for very worthwhile and necesssary forms of tests, medical surveys or other scholastic or aptitude examinations which are above reproach. In my own State of Utah, as I know is the case in Iowa and many other States, we have one of the most well developed and effective scholastic achievement testing programs ever developed for the elementary and secondary school grades.

But while all the money authorized for programs for tests and examinations are well intended, there has been raised a tremendous outcry by parents, PTA officials and others who have written to

my office in recent days; parents who have serious reservations about some of the nonscholastic or aptitude tests; the psychiatric probing and other nongermane, often "mind boggling" surveys being conducted in elementary and secondary schools without the knowledge, much less the consent of the parents or guardians involved.

In Wisconsin, there is a problem publicly funded in part by ESEA money, entitled "Future Directions of Family Planning in Wisconsin." It is a program providing so-called preevaluation training in sex education from kindergarten through 12th grade. The program provides all forms of contraception information, pregnancy and abortion-referral education information and even services to persons as young as 10 years old without parental consent. Though originally set up as a condition for title X funding of State family planning programs under the auspices of the Department of HEW with the endorsement of Planned Parenthood; the program certainly has not won the endorsement of the many parents and other citizens who protested the program last May 19 at a special meeting of the ad hoc committee which administers this so-called education. And it certainly does not win my endorsement, and I would risk saying, does not win the endorsement—or so I hope—of a majority of us in this Chamber. Yet this is one dramatic example of many, all too many which I will be prepared to present before my colleagues during the impending debate on ESEA. It is an abuse. It is a travesty. It is a betrayal of education's basic purpose. It is the kind of thing which our "parental consent" amendment would correct.

Simply stated, our amendment requires that before any elementary or secondary age child is subjected to psychiatric, behavior probing or other nonscholastic and nonaptitude testing; that there must first be obtained the written consent of the respective child's parent or guardian. Our amendment does not add to or subtract from any moneys. It does not presume to redirect any of the programs involved. It does not even say "beans" about the way HEW should be run. Our amendment simply holds that before young children who have not, in many cases, learned to cross a street properly become subjected to sensitivity training or some other variant of "Walden Three"; that we should first have the written OK of their parents or guardian.

This whole problem came about when schools started becoming more concerned with children's attitudes, beliefs and emotions rather than providing them with basic education. And what we have today is a situation where dramatically fewer young children can read, write, or count; but who have become worldly wise to stories about sex and drugs and violence.

This does not speak well for the long-term emotional stability of the child; and such implicit value changes which attend teaching very young children about drugs or sex, or which challenge their faith in their parents constitute the most vile threat to the American family unit. The techniques used to change young children's attitudes and values are an invasion of privacy in the first degree, especially in some of the innovative testing questions soliciting young children to pinpoint their father's or mother's faults or in another ESEA-sponsored program which actually had the students of an elementary school class collectively put their parents on trial—following which the mother and father were always found guilty.

Certainly, this is a perversity of elementary and secondary education. It is not what this Congress intended when the ESEA was first enacted. But now that it has been, and on the assumption that it will again in whatever form, and that the administration of the program—like all Government run enterprises—will be reformed glacially; that our parental consent amendment is the only solution in sight. I urge my colleagues to think about all of this in the days ahead, and to eventually join with those of us who believe that parents should have the final say in the education of their young children.

Finally, Mr. President, I would very briefly like to explain the nature of my proposed substitute in the form of an amendment to S. 1753. Essentially, my bill would block grant the moneys currently authorized in ESEA among the States; it would direct the money to the States directly, best serving their needs, while saving time and money in the amount of administrative exercise and paperwork saved because of the more direct features of my proposal.

My proposal would not affect either impact aid or title I moneys, both of which would remain "as is" in my bill. To be very clear on this, the moneys authorized for disadvantaged students in title I of ESEA as well as the impact aid formula provided in S. 1753 pursuant to Public Laws 94–815 and 94–874 would remain untouched.

What my bill does achieve, however, is 4.5 million man-hours and an estimated millions of dollars spent annually in paperwork and reporting forms required of local and State school districts under the current ESEA bill. While I will present more specific information and comprehensive statistics and survey research to support my position during the days of debate we will have on ESEA, I tentatively reveal to my colleagues that much of my information is collected from the Department of HEW's own findings on the matter; specifically, the paperwork surveys they have most recently completed.

Last July, when the House version of the Elementary and Secondary School Act was considered on the floor of Congress as H.R. 15, my friend and one of the most distinguished and able members of the House Education and Labor Committee, JOHN ASHBROOK of Ohio, offered a bill substitute very similar to the one I offer here today. Though the form and some of the features of my bill are very different from Congressman ASHBROOK's, and largely because of the difference in the composition of the House and Senate versions; the legislative intent is the same. This intent is predicated on the beilef that the States rather than the Federal Government can more effectively, more economically, and ought to properly direct elementary and secondary education programing. It is constitutionally more proper that they do so, and by the money we will save by eliminating the needless and burdensome bureaucratic paperwork involved, we will be able to be true to the genuine purposes of the act without having to violate the spirit of proposition 13. As one who subscribed to proposition 13 before it became popular to do so, I am not foreign to the belief that people in government can save otherwise unnecessary expenses if a genuine effort is made to do so. I hereby present before my colleagues such an effort, and I invite all of us to rise to the occasion.

With these brief introductory remarks having been given about my proposed changes to the Elementary and Secondary Education Act amendments, I would like to thank the President, and my colleagues for your indulgence. I look forward to discussing these matters in more detail next week or whenever the ESEA legislation is to be considered on the floor.●

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

● Mr. ROBERT C. BYRD. Mr. President, for Mr. EASTLAND and on behalf of the Committee on the Judiciary, I wish to give notice that a public hearing has been scheduled for Friday, August 25, 1978, at 9:30 a.m.. in room 2228 Dirksen Senate Office Building, on the following nomination:

Richard S. Arnold, of Arkansas, to be U.S. district judge for the eastern and western districts of Arkansas vice Terry L. Shell, deceased.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.●

SELECT COMMITTEE ON SMALL BUSINESS AND SUBCOMMITTEE ON ADMINISTRATIVE PROCEDURES AND PRACTICES

● Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business and the Subcommittee on Administrative Procedures and Practices of the Judiciary Committee will conduct a joint hearing on S. 1974, amendment 849 to that bill, and S. 3330. These measures are designed to promote greater flexibility in Federal rulemaking, particularly where smaller businesses, organizations, and communities are affected.

The hearing will be held at 9:30 a.m. in room 424, Russell Senate Office Building. Interested persons should contact the Small Business Committee at 202–224–5175.●

S. 3060—NATIONAL WORKERS' COMPENSATION STANDARDS ACT OF 1978

● Mr. WILLIAMS. Mr. President, the Subcommittee on Labor of the Committee on Human Resources will hold hearings on S. 3060, the National Workers' Compensation Standards Act of 1978, on Tuesday, Wednesday, and Friday, September 19, 20, and 22, 1978. These hear-

ings will be held in room 4232 of the Dirksen Senate Office Building, and will commence each day at 9:30 a.m.

Those wishing to testify, or wishing additional information, should contact Mike Goldberg or Darryl Anderson of the subcommittee staff at G 237 Dirksen Senate Office Building, Washington, D.C. 20510; telephone—(202) 224–3674.●

ADDITIONAL STATEMENTS

THE ECONOMIC CASE FOR ROTH-KEMP

● Mr. ROTH. Mr. President, in his recent appearance before the Senate Committee, Charles Schultze, the chairman of the Council of Economic Advisors, made a traditional appearance, reciting a traditional litany of our problems, and a traditional list of solutions. He admitted that the administration has no better recommendation to make to the Congress than to fight inflation by slowing economic growth and permitting increases in taxes. This is the traditional prescription of those economists who, for the past 10 years, have brought us the high inflation and high unemployment we are now experiencing. We cannot afford to take their advice any longer.

Mr. Schultze starts out with the good news first. He says that per capita disposable income, after adjusting for inflation, has risen, and that business profits have increased. Income is up—if you compare today's income with the income people were receiving at the low point of the last recession. However, more recent history shows that real spendable earnings, adjusted for taxes and inflation, have fallen seven-tenths of a percent from a year ago. And real economic profits, fully adjusted for inflation, are lower today than they were in 1967. Even worse, more and more economic forecasters are predicting a further slowdown in the months ahead. Some even forecast a full-blown recession for 1979.

The recent drop in earnings, and the continued dismal performance of profits, are due to the inflation and the higher taxes which the inflation produces. The higher taxes cut disposable income directly by reducing take-home pay. Indirectly, higher taxes reduce the growth of the economy, restrain hiring, and retard the growth of wages.

Apparently, however, Mr. Schultze is not concerned with the slowdown in economic growth. He states on several occasions that economic growth must moderate in order to avoid overstimulating the economy. I do not share Mr. Schultze's complacency about our slow rate of economic growth. If Mr. Schultze is correct, that slow growth retards inflation, we should certainly be seeing a drop-off in the rate of inflation right now. Obviously, inflation is getting worse. In fact, since 1969 we have had higher inflation every time production has slowed down, and lower inflation every time production has speeded up. This is just the opposite of what Mr. Schultze's theories predict should be happening.

It is time for this country to develop a new economic theory which will enable us to fight inflation and unemployment at the same time. It should be obvious by now that we cannot fight inflation by reducing production and creating shortages. We need a theory which will enable us to increase production and employment without having to call upon the Federal Reserve to run the printing presses to flood the country with easy money and additional inflation.

The historical record shows that inflation worsens when production falls. Inflation does not stimulate output and employment. Recession does not control prices. The old theory is dead.

There is such a theory, one which analyzes tax cuts in terms of incentives to produce. Higher production creates jobs and lowers inflation at the same time. We need to examine tax proposals in these terms.

Mr. Schultze analyzes a tax cut only in terms of its size, the number of dollars it dumps into the economy. This is supposed to stimulate demand and purchasing power and be spent about twice over to increase GNP by a multiple—two—of the tax cut. Hence, the term "multiplier." This whole line of reasoning is badly out of date, as will be shown later. But, for the moment, let us work in terms of the theory Mr. Schultze is using.

Mr. Schultze overstates the size of Roth-Kemp—see appendix. He then claims that Roth-Kemp is too large, that the increased spending it would generate would greatly exceed our unused capacity, currently between $70 and $90 billion. But, in addition to overstating its size, Mr. Schultze has also forgotten to adjust Roth-Kemp for the offsetting increases in taxes which will be produced by pending social security tax hikes and inflation. These amount to $23 billion in 1979, $42 billion in 1980, $74 billion in 1981, $94 billion in 1982, and $113 billion in 1983. He neglects these tax increases in analyzing Roth-Kemp, but he remembers them when justifying the President's tax cut proposal. Mr. Schultze should subtract these numbers from the Roth-Kemp figures. It is the net tax cut which must be used in a multiplier analysis.

Net of these other tax increases, the tax cuts in Roth-Kemp are only $2 billion in 1979, $8 billion in 1980, and $5 billion in 1981, and a tax increase of $7 billion in 1982, and a tax increase of $18 billion in 1983, as social security and inflation-induced tax increases continue. If Mr. Schultze multiplied these numbers by 2, he would still have no cause to worry about capacity ceilings. On the contrary, he would have to advocate further tax cuts in 1982 and 1983. Clearly, Roth-Kemp is needed just to prevent tax increases over the next 3 years. See appendix.

Mr. Schultze goes astray primarily because he looks at the tax cut out of context, and judges it by size alone. However, the day is past when tax cuts should be thought of only in terms of their size.

Many tax cuts work because of their shape, not their size. Consider an example drawn from the economics of international trade. Suppose a prohibitive tariff, one so high that it chokes off all imports, is placed on French wine. Since no French wine is imported after the tariff, no revenue is raised. Now, suppose the tariff is removed. No revenue is lost, but importation of French wine resumes. Behold. A tax cut of zero dollars results in an infinite percent jump in imports, some positive number of bottles imported divided by zero bottles in the year of the tariff.

Is the example too extreme? Then, consider the recent studies which show a small tax cut on capital gains to be so stimulative of asset trading and GNP that the Federal deficit is reduced. Compare this to the general consensus that tax rebates, even fairly substantial ones, have so little impact on GNP as to be massive revenue losers. Obviously, the type of tax cut matters a great deal.

Mr. Schultze is not alone in his attitude. On July 14, Emil Sunley, of the Treasury, attacked Roth-Kemp and tried to tell the Senate Finance Committee that all tax cuts were pretty much alike in their effect on GNP and in the revenue feedback they would produce. He used this as an excuse for the deplorable Treasury habit of looking only at the initial cost of tax cuts, and of not bothering to analyze the net effect of various tax proposals after all their differential economic repercussions. Here is what several people who were present at that hearing had to say to Mr. Sunley:

Michael Evans, president of Chase Econometric Associates:

As far as the Treasury goes, I have heard that argument. It is a common argument, one they always trot out. It doesn't improve with age.

Norman Ture, president of Norman Ture Associates:

The criticism, for the most part, derives from antique, obsolete notions about how fiscal changes affect the economy. They are the same Keynesian notions which disregard the effects of tax changes on the conditions of supply of factors of production, which look only to the effects on disposable incomes and on aggregate demand, and which in practice have proved to be so consistently, harmfully wrong.

Senator RUSSELL LONG:

You are reluctant to change your practices down at Treasury to include more feedback into your estimates, and it seems to me that you ought to reconsider that position both when you are bringing a proposal up here and when you are looking at one.

Let us take an extreme case where we have a tax that is counterproductive. I don't know at what point a tax becomes counterproductive, but surely if the tax reaches 100 percent of a person's income, you would have to agree that is not going to make the government any money. The people are not going to work if they can't keep some of their money, and the result is the government would lose money. So, if you are going to get anything at all in terms of an accurate estimate of the result of tax change, you have to look at the dynamics.

Now, the same thing is true of a duck shooter. Any good duck shooter knows if the duck flies across in front of the blind and he shoots across the blind he is not going to hit the duck. The duck keeps right on flying. So that you would think that we would all learn, in a moving economy where everything is in motion, you would have to take the dynamics of these things into account.

Roth-Kemp is not designed to work by injecting spending power into the economy. It is designed to work by increasing incentives for the supply of goods and services and to encourage the saving needed to supply investment funds. It does this by reducing marginal tax rates.

The incentive to an activity is the after-tax payment received for it. That payment rises when the tax rate falls.

The "price" of an hour of leisure is the after-tax wage given up by not working. The "price" of a dollar of current spending is the lost dollar plus after-tax interest which could have been spent next year. Lowering tax rates makes leisure and spending more expensive in terms of lost income. As people respond to this "price" change, they shift into work effort and saving. These are both growth-oriented activities. They increase investment, hiring, capacity, and production. They lower interest rates and prices.

The tax rate in question is the rate on the last few dollars of wages, interest, and dividends, because these marginal rates are what will be paid if work effort, saving, and investing are increased. Thus, cuts in tax rates in every bracket encourage more work, saving, and investing, as opposed to leisure and consumption. Tax rate reduction increases the available supply of the labor and capital inputs needed for production of goods for current consumption and production of capital goods to expand future economic capacity. Tax rate reduction changes behavior, just as any other price changes do.

As Norman Ture has explained:

It is in the supply side context, I believe, that one should evaluate the estimates of the Roth-Kemp tax reduction.

The proposed tax reductions would materially reduce the cost of market-directed effort relative to leisure. Certainly the labor force data of the last few years argue strongly for the plausibility of the employment increases we have projected.

Similarly, Roth-Kemp would dramatically reduce the cost of saving and investing relative to the cost of consumption. To assert less is, in effect, to argue that people's saving and investing behavior is irrational, that people are indifferent to the after-tax return they may obtain in deciding how much of their income to save and how much to consume.

The estimated increases in the supplies of labor and capital services argue forcefully against the criticism that Roth-Kemp would accentuate inflation. The contention that enactment of these tax reductions would sharply boost inflation derives from the mistaken Keynesian views which ignore conditions of supply and look only at alleged effects of tax changes on demand, principally consumption spending.

Mr. Wendell Gunn, vice president, Chase Manhattan Bank, stated:

I must emphasize the distinction between cuts in marginal tax rates and the quite different notion of tax rebates. All of the benefits of the former accrue because of the effect on the expected profitability of production and investment. These benefits do not result in the case of a tax rebate, simply because it is related only to previous production, which obviously cannot be altered in response.

The primary rationale of the Kemp-Roth proposal appears to be based on the conceptual framework just discussed. By cutting marginal tax rates on individuals across the board and on businesses, it would provide for noninflationary private sector economic expansion. It would signal abandonment by liberals and conservatives alike of the idea that inflation must be fought with unemployment and vice versa. It would release the enormous pool of energy and individual initiative that has characterized our great country since its inception. New employment would result and those Americans who, for obvious reasons, always seem to bear a disproportionate share of unemployment, would be among the greatest beneficiaries. And, believe it or not, it contains the only hope of ever achieving the elusive balance in the federal budget.

Mr. Ture:

I read Professor Heller's piece in the Wall Street Journal . . . He looks only at one kind of effect . . . an effect on disposable income of the taxpayer, and he thinks that all the consequent effects on the economy derive only from that. It seems to me . . . that captures very, very little of the effect of taxes on the economy.

The real effect of a tax change is that it changes the cost any one of us confronts in doing this versus that. To assume, as Professor Heller explicitly says, that we are unresponsive to these changes in cost is to assume that, as he does, we are all irrational, that the economy in fact operates by gosh and by golly and it is a sort of wonder that it doesn't turn into a black hole and that we don't implode into it.

Well, the economy doesn't operate by gosh and by golly, it operates in a very analyzable way, a very systematic way. You can in effect examine why the economy is going to do what it is going to do if you take account of what happens to relative prices. And tax changes are in fact primarily to be interpreted as changes in the relative prices and costs confronting taxpayers.

Roth-Kemp is not inflationary precisely because it does affect relative prices. It affects behavior, increases growth, and encourages saving.

In order to judge a tax cut's impact on growth and inflation, we have to know what the cut will do to GNP and saving. To finance itself without causing inflation, a tax cut can do four things:

First, it can increase GNP, which is the tax base, and recover revenues to offset part or all of the initial reduction.

Second, if it reduces marginal tax rates it can cause existing savings and investment funds to switch out of tax shelters and nontaxable uses into taxable uses, raising the tax base and revenue. (This also makes saving and investment more efficient, raising GNP by shifting saving and investment from low-yield, but sheltered projects into straightforward, high-yield activities.)

Third, if it reduces marginal tax rates, the tax cut makes saving more rewarding after taxes, and raises the total amount of saving being done. Chase Econometrics forecasts a sharp rise in saving if tax rates are reduced. Some of this saving will go to buy the bonds the Treasury will sell to cover any deficit remaining from the tax cut. Any excess will be used to increase net investment and growth.

Fourth, by fostering growth and employment, the right kind of tax cut reduces unemployment and welfare spending.

As long as revenues rise to offset the tax cut, or as long as savings rise by enough to cover any added debt, the Federal Reserve does not have to buy even one additional Treasury bill, and does not have to add one cent to the money supply.

On the first point, Chase predicts revenue reflows to all governments of 40 percent of the tax cut in the first year, rising to 65 percent of the tax cut by 1987. This is twice the level Mr. Schultze would admit to.

On the second point, lowering tax rates is essential if we are to get people out of tax shelters and back into the real investment in basic American industry we need so badly. Furthermore, shifts out of tax shelters are extremely profitable for the Federal Government. After the Kennedy tax cuts, upper bracket taxpayers shifted out of tax shelters in such large numbers that they paid more taxes even at the lower tax rates. Michael Evans, in a recent Wall Street Journal article, stated:

The top rate was reduced from 91 percent in 1963 to 77 percent in 1964 and 70 percent in 1965 and later years. The figures for actual income tax paid for the period 1961–1966 for taxpayers with incomes of $100,000 or more are taken from Statistics of Income and are reproduced in the accompanying table.

The results are so clear-cut that it is surprising that these figures have not previously been introduced as evidence in favor of Kemp-Roth. After virtually no growth in income taxes at these levels for three years, actual taxes paid rose dramatically beginning in 1964 even though income was taxed at significantly lower rates. In the case of individuals earning over $1 million per year, taxes collected actually doubled in the two-year span during which the tax rates were being lowered!

These results, which represent a remarkable rebuttal of those who argue that upper-income tax cuts are a "raid on the Treasury," indicate that a further reduction from 70 percent to 50 percent would not only spur economic growth and increase aggregate supply, but would actually assure the Treasury of greater tax revenues. The argument for upper-income tax cuts is almost as watertight as the argument for lower capital gains taxes.

TABLE 1.—INCOME TAXES PAID BY UPPER INCOME BRACKETS

	1961	1962	1963	1964	1965	1966
Maximum tax rate (percent)	91	91	91	77	70	70
Level of Adjusted Gross Income						
100,000 to 500,000	1,970	1,740	1,890	2,220	2,752	3,176
500,000 to 1,000,000	297	243	243	306	408	457
Over 1,000,000	342	311	326	427	603	590

Note: All tax figures are in millions of dollars.

Mr. ROTH. But, there is a more serious matter here than collecting more Federal revenue. Marginal tax rates have risen substantially for every level of real income since they were last reduced in 1964. Prices have doubled since then. People earning $20,000 in 1964 were earning the equivalent of $40,000 in today's dollars. These people were just entering tax brackets that made tax shelters seem attractive, brackets which encourage leisure and discourage saving. People filing 2 percent of all tax returns, doing perhaps 10 to 15 percent of the Nation's saving, were affected.

Today, $20,000 in taxable income still diverts people into tax shelters and leisure, and away from saving. But five times the number of people are earning that much today, people who were earning $10,000 in 1964. They were not using tax shelters then. They are now. People filing 10 percent of all tax returns, doing perhaps 30 to 50 percent of the country's saving, are affected.

By 1985, if we do not reduce the marginal tax rates, 25 percent of all tax returns, covering 60 percent of the country's taxable income and 80 percent or more of the country's savings will be in the upper brackets.

To who and at what cost will the American steel industry sell bonds to modernize its plant and equipment if 80 percent of U.S. saving is attracted to tax shelters? Where and at what interest rates will savings and loan companies get deposits with which to make mortgages? How can we maintain our competitive position in world trade if we increasingly siphon off a dwindling supply of saving into inefficient boondoggles instead of into the upgrading of American factories and jobs?

Only the Roth-Kemp bill reduces marginal tax rates, the rates which affect behavior. Only Roth-Kemp addresses this basic question of savings, economic growth, and the protection of American jobs.

As for point three, both Mr. Ture and Mr. Evans agree that saving will increase sharply under Roth-Kemp.

Mr. Ture:

. . . The increase in private saving out of the very substantial increase in real income would be great enough to finance, in real terms, both the additional deficits and very large increases in investment.

Mr. Evans:

In the middle sixties, following the tax cuts, savings as a proportion of GNP rose sharply, and productivity gains . . . were well above average. . . . It is a fact that anybody could verify." (See Table 2.)

In fact, Chase Econometrics estimates that savings will rise enough from the tax rate reductions found in the Kemp-Roth bill to cover any added deficit and to still leave enough saving left over to increase net investment substantially, delivering an enormous boost to real growth and productivity.

As for point four, the impact on unemployment compensation and working people, Evans and Ture forecast an increase of 2–4 million jobs from Kemp-Roth, and higher wages. And Mr. Ture stated:

Just as one would expect, labor would be by far the principal beneficiary of Roth-Kemp; about two-thirds of the increase in aggregate real income would be in the form of the increase in total labor compensation."

Thus, Kemp-Roth is not inflationary. It is self-financing four ways. Mr. Schultze doubts this primarily because, in his frame of reference, he has no way to distinguish between a tax cut which alters incentives, reduces the use of tax shelters, and stimulates savings and investment, and one which simply cuts Federal revenue and forces the Federal Reserve to create money to buy Treasury debt.

What has happened to Mr. Schultze is very simple. He is a macroeconomist used to looking at tax cuts according to their size. Roth-Kemp is a very small net tax cut which operates by restructuring tax rates and affecting incentives. Thus, its effects fall within the study of individual behavior—microeconomics. Mr. Schultze is out of his element here.

Mr. Schultze has totally neglected the fact that saving will be encouraged by lower tax rates. He has given no thought to the efficiency gains (and tax revenues) that will result as people shift from tax shelters into ordinary investment. He ignores production gains from a greater acceptance of overtime, or the more intense work effort and seeking after promotions brought on by lower rates. He neglects the benefits from increases in research and development as profitability is restored. These microeconomic effects come from lowering the tax barriers between effort and reward. These barriers, which Kennedy reduced, have been gradually resurrected by 15 years of inflation. They are powerful. They are not in the Keynesian short-run world view.

In the Kennedy years, the labor supply rose sharply, productivity rose sharply, savings surged, and capacity increased much faster than in the previous decade. Mr. Schultze says capacity and productivity will not rise fast enough for Roth-Kemp to repay Washington in three years in terms of higher Federal revenue. Maybe not. But, any delay in repayment will be thoroughly covered by higher saving, not by inflationary money creation. And the tax cut will repay the country as a whole in terms of full employment, higher real income, higher State and local tax receipts, fewer lives wasted on welfare, and a rekindling of the work ethic and entrepreneurial incentives. People will be working for themselves and their families once again, and upward mobility will again be part of American life.

Mr. President, I ask that a table, the appendix and two articles from the Wall Street Journal be printed in the RECORD.

The material follows:

TABLE 2.—INCREASE IN SAVINGS AND PRODUCTIVITY FROM KENNEDY TAX CUTS

[Dollar amounts in billions]

Year	Total individual savings [1]	Increase over preceding year: Savings — Dollars	Savings — Percent	Productivity [2] (percent)
1960	$34.900	−$2.472	−6.61	1.6
1961	34.693	−.207	−.59	3.3
1962	40.243	+5.550	+16.00	4.6
1963	45.232	+4.989	+12.40	4.0
1964	54.901	+9.669	+21.38	4.1
1965	62.028	+7.127	+12.98	3.7
1966	72.003	+9.975	+16.08	3.2
1967	72.726	+.723	+1.00	2.3
1968	78.028	+5.302	+7.29	3.3
1969	69.563	−8.465	−10.85	.3

[1] Increase in financial assets, plus net increase in tangible assets, less debt.
[2] Output per hour of all persons.

Sources: Savings: Board of Governors, The Federal Reserve. Productivity: Department of Labor, Bureau of Labor Statistics.

APPENDIX

In his appearance before the Senate Budget Committee, Charles Schultze presented a simplistic, back-of-the-envelope analysis of something he labeled the Roth-Kemp bill, but which was really a straw man set up to be an easy target for a cheap shot.

Here is how the straw man was set up. The first step was to make Roth-Kemp seem very large. Mr. Schultze conveniently set aside the social security tax rate increases of the next few years, and the higher tax rates which will result from inflation's pushing people into higher tax brackets. These two types of tax increases will bloat federal revenues above the levels of the 1977 Tax Act by about $25 billion in 1979, $40 billion in 1980, $65 billion in 1981, $90 billion in 1982, and $110 billion in 1983. (For every 10 percent rise in prices, the higher tax rates caused by inflation raise tax revenues by 16 percent. The above figures only include this extra 6 percent windfall in excess of the revenues the government needs to keep up with inflation.)

Setting these tax increases aside accomplished two things. It inflated the gross size of the Roth-Kemp cut, before subtractions, and then omitted the subtractions altogether, never putting Roth-Kemp on a net basis.

THE GROSS CUT

Since these tax increases may cause a recession, and will surely at least slow economic growth, removing them from consideration lets Mr. Schultze forecast a strong economy, an expanded GNP, and expanded revenues. The Roth-Kemp tax cut, which is one-third of income tax receipts, looks larger the larger one assumes revenues will be. In fact, many economic forecasters are considerably less sanguine about the economic outlook than Mr. Schultze, and would not put the Roth-Kemp bill anywhere near such a gross size as Mr. Schultze uses.

Thus, Mr. Schultze calls Roth-Kemp a $30 billion tax cut in 1979, and a $110 billion cut in 1981. In fact, it is nearer a $25 billion cut in 1979, a $50 billion cut in 1980, a $79 billion cut in 1981, an $87 billion cut in 1982, and a $95 billion cut in 1983.

THE NET CUT

Demand analysis operates on net injections of money into the spending stream.

Mr. Schultze should have subtracted the pending tax increases from gross Roth-Kemp figures, and compared the net Roth-Kemp numbers to the slack in the economy. Alternatively, he could have assumed the pending tax increases will widen the slack considerably, and compared somewhat lower gross Roth-Kemp numbers to the larger post-tax-increase slack.

What Mr. Schultze has done is to compare the gross Roth-Kemp numbers to the current slack. No wonder he sees the economy crashing through some sort of capacity ceiling, and generating inflation!

Net of pending tax increases, the Roth-Kemp personal tax cuts are about $2 billion in 1979, $8 billion in 1980, $5 billion in 1981, a $7 billion tax increase in 1982, and an $18 billion tax increase in 1983, assuming 6 percent inflation. In fact, inflation and its resulting tax increases will probably be larger than assumed by Chase, and the net size of Roth-Kemp smaller than shown here.

We can compare these net numbers, even multiplied by two, to our current $70–$90 billion per year economic slack, and see that Roth-Kemp does not crash through some supposed capacity ceiling. It does not lead to wild inflation. In fact, we would need to index the income tax by 1981, or have further tax cuts, to keep Roth-Kemp and full employment from being repealed by inflation by 1985!

OTHER FLAWS IN SCHULTZE ANALYSIS

Even allowing Mr. Schultze to use the gross figures instead of net for Roth-Kemp, his analysis goes astray.

For a tax cut to receive the full multiplier, it must not be offset by other factors. As we have seen, if other taxes rise, the net effect is

reduced. But this is true even if other taxes do not rise!

Every tax cut must be financed, unless spending is cut. Suppose spending is not cut. Suppose the Treasury finances the tax cut by borrowing. Then the purchasing power injected by the tax cut is borrowed back by the Treasury, and the multiplier process collapses. The tax cut is ineffective, be it Roth-Kemp, Carter, or Ways and Means!

Thus, Mr. Schultze must be assuming that the tax cut is funded by some means other than borrowing from the public. There is only one other way out for him. He must expect the Federal Reserve to buy the Treasury bonds with new money. In the final analysis, Mr. Schultze's tax cut scenario works only if the Federal Reserve finances it almost in its entirety. Tax cuts are not fiscal policy anymore. They are monetary policy! Mr. Schultze is implicitly assuming a totally accommodative monetary policy. If the Federal Reserve chose not to be totally accommodating, it could make any tax cut noninflationary. The amount of inflation would then be a function of the response of the Federal Reserve, not a function of the size of the tax cut. Thus, Mr. Schultze's basic premise falls apart.

ROTH-KEMP TAX CUT VERSUS SOCIAL SECURITY AND INFLATION TAX INCREASES

[Chase econometrics forecast; billions of dollars changes from 1977 tax code levels]

Year	1979	1980	1981	1982	1983
Roth-Kemp tax cut:					
Total cut (before reflow from higher GNP)	25	50	79	87	95
Personal cut (before reflow)	21	45	73	80	88
Social security increase	12	18	36	40	42
Inflation tax increases:					
Personal	9	19	30	42	55
Corporate	2	5	8	12	16
Sum of increases	23	42	74	94	113
Net tax cut, increases less Roth-Kemp (+ indicates					
Net tax cut, increases less Roth-Kemp	−2	−8	−5	[1] +7	[1] +18

[1] + Indicates tax increase.

[From the Wall Street Journal, Aug. 7, 1978]

TAXES, INFLATION AND THE RICH

(By Michael K. Evans)

Increasing numbers of economists have recently suggested that massive tax cuts would cure the ailments of the U.S. economy by increasing productivity, raising incentives and hence expanding aggregate supply. The idea of supply-side incentives has been embodied in proposals like the Steiger amendment to cut capital gains taxes and the Kemp-Roth bill for an across-the-board tax cut.

These bills, and the new supply-side thinking, raise issues that sound startling in the context of contemporary economic thought: Is it possible to cut taxes without spurring inflation? And is it possible to cut taxes, or at least certain taxes, without even reducing total revenues received by the federal Treasury?

The historical record clearly indicates that the rate of inflation is inversely proportional to the gap between actual and maximum potential GNP. So measures that raise potential GNP would reduce inflation at the same time they increase economic growth. Measures that succeeded in expanding the gap by raising potential would clearly offer greater benefits to society than the traditional remedies of fiscal and monetary restraint, which expand the gap by reducing aggregate demand.

HOW A TAX CUT REDUCES INFLATION

In order for a tax cut to reduce inflation, it must increase maximum potential GNP faster than actual GNP. This is accomplished only by raising the investment ratio or by increasing incentives to work because a larger proportion of income will remain after taxes. Not all tax cuts accomplish this. A tax reduction of $50 per person, for example, would have no measurable effect on productivity or incentives, so it would not raise potential GNP. However, it would increase actual GNP, hence reducing the gap and raising the rate of inflation.

Thus the other extreme, a reduction in corporate income taxes or capital gains taxes would initially affect investment, thereby leading to the desired effect on productivity and total supply. While actual GNP would obviously rise because of higher capital spending, the gap would increase, thereby reducing the rate of inflation. A number of studies by Chase Econometrics and others have already shown the salutory impacts of business tax cuts.

The question of personal income tax cuts, which has become particularly relevant in view of the increased interest in the Kemp-Roth bill, is a much more difficult one to answer. While it may be theoretically appealing to argue that a reduction in personal income taxes encourages an individual to work harder and thus increase both his pretax and aftertax income, little evidence has been assembled either to support or disprove this hypothesis.

One of the major problems is measuring the amount and intensity of work offered by an individual taxpayer. However, a reasonable proxy variable is the amount of income taxes paid by this individual. Thus we can examine what happened to federal personal income classification in the years following major tax cuts. These occurred in the mid-1920s, under Treasury Secretary Andrew W. Mellon, and in 1964–1965. It is interesting to examine both of these periods in some detail.

Before the U.S. entered World War I, the maximum tax rate on personal income was 15%, but this rate rose dramatically to a peak of 73% in 1918 and succeeding years. It was then cut to 55% in 1922 and 25% in 1926. It is instructive to learn what happened to taxes paid by millionaires—that group which has been singled out by President Carter and Treasury Secretary Blumenthal as unworthy of further tax relief. To adjust for the differentials caused by inflation, we consider those taxpayers with incomes over $300,000 in 1922 and in 1927, although even this adjustment is an understatement of the true effects of rising prices. In 1922, this group paid taxes of $77 million, while in 1927, the year after the second reduction in rates, its members paid a total of $230 million. Not only did the economy benefit significantly, but the millionaires themselves paid three times as much in taxes with lower rates.

It could be argued that the Mellon tax cut results, while instructive, are not relevant today since the institutional structure and income distribution of the U.S. economy are far different now than they were in the 1920's. However, we need not be restricted to a reading of "ancient history" in our determination of how a reduction in top bracket rates might affect overall revenues. Fortunately we can rely on the figures before and after the Kennedy-Johnson tax cuts of 1964.

As most readers will recall, the top rate was reduced from 91% in 1963 to 77% in 1964 and 70% in 1965 and later years. The figures for actual income tax paid for the period 1961–1966 for taxpayers with incomes of $100,000 or more are taken from "Statistics of Income" and are reproduced in the accompanying table.

The results are so clear-cut that it is surprising that these figures have not previously been introduced as evidence in favor of Kemp-Roth. After virtually no growth in income taxes for incomes over $100,000 for three years, actual taxes paid rose dramatically beginning in 1964 even though income was taxed at significantly lower rates. In the case of individuals earning over $1 million per year, taxes collected actually in the two-year span during which the tax rates were being lowered. For income classes under $100,000, taxes either fell or rose less than the average growth in total personal income.

These results, which represent a remarkable rebuttal of those who argue that upper-income tax cuts are a "raid on the Treasury," indicate that a further reduction from 70% to 50% would not only spur economic growth and increase aggregate supply, but would actually assure the Treasury of greater tax revenues. The argument for upper income tax cuts is almost as watertight as the argument for lower capital gains taxes.

The more extreme proponents of Kemp-Roth have sometimes seemed to suggest that this phenomenon occurs at all income levels. It does not, as can be seen by a perusal of the complete "Statistics of Income" figures, and by the fact that aggregate personal income tax collections did decline from $51.5 billion in 1963 to $48.6 billion in 1964. This should come as no great surprise: The effects on individual incentives and supply labor are undoubtedly much greater where taxes are highest—at the upper income levels rather than for the typical wage earner.

FLEXIBILITY FOR UPPER INCOME GROUP

Furthermore, just as has been shown in recent work on capital gains taxes, upper-income individuals have far greater flexibility in arranging the income for their assets in the form of tax-free or tax-sheltered income when tax rates are at punitively high levels. The risks of unreported income become relatively much smaller when tax rates are near 100%, and the lure of diverting earnings to foreign countries becomes much greater.

Thus if the Treasury wants to collect more revenues, it will lower the highest marginal tax brackets. Only if it wants less revenue and poorer economic growth so badly that it is willing to penalize all those "millionaires" will it push for higher upper-income tax rates.

INCOME TAXES PAID BY UPPER INCOME BRACKETS

	1961	1962	1963	1964	1965	1966
Maximum tax rate (percent)	91	91	91	70	70	70
Level of Adjusted Gross Income						
100,000 to 500,000	1,970	1,740	1,890	2,220	2,752	3,176
500,000 to 1,000,000	297	243	243	306	408	457
Over 1,000,000	342	311	326	427	603	590

Note: All tax figures are in millions of dollars.

[From the Wall Street Journal, Aug. 2, 1978]

THE ECONOMIC CASE FOR KEMP-ROTH

(By Paul Craig Roberts)

Walter Heller is known to the public as a liberal economist who was Chairman of the Council of Economic Advisers under a Democratic President, and Herbert Stein as a conservative economist who held the same position under Republican Presidents. Both agree that the Kemp-Roth tax rate reduction bill is economic nonsense. "It would soon generate soaring deficits and roaring inflation," says Mr. Heller. "I agree," says Mr. Stein.

Before the public is misled by their agreement into concluding that there is no economic case to be made for Kemp-Roth, I would like to show that there is.

Profs. Heller and Stein both think of tax cuts in Keynesian terms of the dollar amount put into the economy to fuel spending. They believe tax cuts work by raising the disposable income of consumers, who then spend more. The increased spending soaks

up excess capacity and unemployed labor, thus moving the economy to higher levels of employment and GNP. The Kemp-Roth bill is, in their view, too large a tax cut. They believe it would fuel more new spending than there is excess capacity and produce an inflationary excess demand.

As Mr. Heller put it on this page July 12, the bill would "simply overwhelm our existing productive capacity with a tidal wave of increased demand." A smaller tax cut, he thinks, would be in order. In his July 18 article, Mr. Stein agreed with this economic analysis, but supported Kemp-Roth as a desperate means of forcing a reduction in federal spending.

A CURIOUS ANALYSIS

This economic analysis, first of all, is a curious one for economists who believe that tax cuts work by increasing demand. Without Kemp-Roth, taxes will increase due to automatic tax increases caused by inflation and higher Social Security taxes; one would expect Keynesians to be worrying about the need to offset the depressing effects of "fiscal drag."

In the context of ongoing tax increases, the Kemp-Roth reductions in the personal income tax rates do not amount to much in dollar terms. Net of the tax increases, Kemp-Roth is a $2 billion cut in 1979, a $15 billion cut in 1980, an $18 billion cut in 1981, a $7.5 billion cut in 1982 and a $1 billion cut in 1983—hardly enough to overwhelm the nation's productive capacity with a tidal wave of consumer spending. Keynesians ought to believe that the net additions to demand provided by Kemp-Roth are too small to have much impact on the economy, just as Mr. Heller says that the Mellon cuts of the 1920s were too small in dollar terms to have had any relation to the prosperity that followed.

The economic case for Kemp-Roth though, does not rest in increasingly dubious Keynesian premises about government policy "injecting" spending to add to aggregate demand. Like the Mellon tax cuts, it is based on incentive effects, on the economics of supply. As the adage goes, it is hard to teach old dogs new tricks, and Keynesians, who have spent four decades thinking in terms of spending and demand, find it hard to understand arguments about incentive and supply.

The new supply economists think of tax rate changes as incentive changes, not as income changes. To understand the difference, consider the removal of a tariff that is high enough to prevent trade in a commodity. When the tariff is lifted, no revenues are lost, no budget deficits result and no money is put into anyone's hands. Yet clearly economic activity will expand, because the disincentive is removed. Nothing in Keynesian theory captures this effect.

Yet this is in fact how tax cuts work. A tax rate reduction does not in itself produce more real goods and services. There cannot be more income unless people produce more; the only way a tax cut can boost GNP is by providing an incentive for more production. If people respond to tax cuts by working less, as Mr. Heller suggests, then GNP would fall and Keynesian fiscal policy wouldn't work either!

When tax rates are reduced, the after-tax rewards to saving, investing and working for taxable income rise. People switch into these activities out of leisure, consumption, tax shelters and working for nontaxable income. The incentive effects cause an increase in the market supply of goods and services—thus the name "supply side economics."

Consider first the choice between working for additional taxable income and enjoying additional leisure. The price to the person of additional leisure is the amount of income, after tax, that he gives up by not working. Obviously, the higher the tax rate he faces, the cheaper leisure is in terms of the income he sacrifices. In our nation with its substantial income cushions, work disincentives are not limited to the top tax brackets. Studies by Martin Fieldstein of Harvard show that the lack of a significant gap between after-tax take-home pay and untaxed unemployment benefits has made leisure a free good for one million workers, thus shrinking GNP and the tax base by the value of their lost production.

Consider next the choice between working for taxable and nontaxable income. Take the case of a carpenter facing a 25% tax-rate. For an additional day's earnings of $100 he gets to keep $75. Suppose that his house needs painting and a painter costs $80 a day. Since his after-tax earnings are only $75, he saves $5 by painting his own house and chooses not to earn the additional $100. Alternatively, the carpenter and painter may swap services, but either way the tax base is smaller by $180, and the government loses tax revenues.

Studies by Gary Becker of the University of Chicago have made it clear that capital and labor are employed by households to produce nontaxable income through nonmarket activities, such as a carpenter painting his own house. The amount of household-owned capital and labor supplied in the market is affected by tax rates. The higher they are, the more households allocate their resources to the production of nontaxable income.

Now consider the decision between using income for current consumption or saving and investing it for future income. The price to the person of enjoying additional current consumption is the amount of future income he forgoes. The higher the tax rate, the smaller the amount of after tax future income he sacrifices by enjoying additional current consumption.

Take the case of a person facing the 70% tax rate on investment income. He can choose to invest $50,000 at a 10% rate of return, which would bring him $5,000 per year of additional income before taxes. Or he can choose to spend $50,000 on a Rolls-Royce. Since the after-tax value of $5,000 is only $1,500, he can enjoy a fine motor car by giving up only that amount. Britain's 98% tax rate on "unearned" (investment) income has reduced the cost of the Rolls-Royce in terms of forgone income to only $100 a year. The profusion of Rolls-Royces seen in England today is mistaken as a sign of prosperity.

Walter Heller tells us, though, that the decision to save does not depend on the relative prices of current consumption and future income; that "Denison's Law" shows that savings do not respond to higher after-tax rewards. But the most recent empirical studies of the responsiveness of savings are those of Michael Boskin of Stanford, who concludes that "private saving is indeed strongly affected by changes in the real after-tax rate of return." He specifically dismisses "Denison's Law" as a "conjecture based on evidence which is flimsy at best and dangerously misleading at worst." A current understanding of the Kemp-Roth bill's effect on savings is absolutely crucial to assessing an asserted inflationary effect.

To summarize the above points: With so many decisions affected by tax rates, it is obvious that the market supply of goods and services must respond to changes in tax rates. Our economy functions because people respond to changes in relative prices: the price of butter relative to that of margarine, beef relative to chicken, capital relative to labor and so on. A tax rate change is just another relative price change. It changes the prices of leisure and current consumption in terms of forgone current and future income. To claim that people don't respond to these price changes goes against the basic principles of economic science. Yet there is no recognition of such response in the brand of economics now used to brand Kemp-Roth as wildly inflationary.

Since Mr. Heller goes out of his way to criticize those of us who have done staff work on the Kemp-Roth bill, he should be especially interested in the results of the congressional staff debates on these points over the past year. The Congressional Budget Office, like the Treasury, once habitually offered simplistic revenue estimates that omitted the expanded tax base and revenue feedbacks. These static revenue estimates are now discredited. CBO Director Alice Rivlin has been forced to admit that her models, based on familiar Keynesian principles, are "unable to provide estimates of the long-run impact tax cuts."

(By the way, Prof. Heller's own staff work could use some polishing. The numbers he attributed to Norman Ture do not come from Mr. Ture.)

Mr. Heller and Mr. Stein believe the Kemp-Roth bill depends on stimulating GNP sufficiently that government revenues will not fall even in the first year, thus avoiding an inflationary deficit. In arguing that feedbacks are not large enough to recover all revenues, they are demolishing a straw man. This is not what the bill's proponents mean when they say it would pay for itself. Part of the projected deficit will indeed be eliminated by revenue from the larger GNP. The remaining deficit will not be inflationary because it will be self-financing.

Deficits are linked in the public mind with inflation or crowding out because the deficits of the past decade have originated from increased government spending and tax rebates—fiscal policies designed to increase demand, not incentives. These deficits add to the demand for funds in the financial markets, thus pushing up interest rates. The Federal Reserve then adds to the money supply, monetizing the deficit in an effort to avoid rising interest rates and crowding out, and this excessive money creation causes inflation.

While Keynesian eyes can see no difference between these deficits and deficits caused by cutting taxes, in terms of incentives this difference is decisive. Lower tax rates increase after-tax rates of return, which in turn expand private savings. When Mr. Boskin's measures of the responsiveness of savings are applied to the Kemp-Roth bill, they predict an increase in gross savings of $35 billion in the first year and a steady growth thereafter. Mr. Ture has even higher estimates of the savings effect, as does Chase Econometrics.

Savings, of course, represent the supply of funds in the financial markets. So deficits caused by tax rate cuts add to the supply of funds as well as the demand for funds. This allows the deficit to be financed without pressure on interest rates and money creation. There is no need to monetize the deficit and thus no inflationary effect. In addition, the larger GNP also means higher revenues for State and local governments and corporations, which reduce their own borrowings and ease pressure in the financial markets.

THE CHASE FORECAST

Chase Econometrics has considered all of these effects in studying the effect of the Kemp-Roth bill. Chase forecasts that the federal government would recover in revenue reflows 41% of the $25 billion tax cut in the first year. This rises to 72% in the seventh year. The remaining deficit is more than covered by the increase in personal savings, retained earnings, and state and local government surplus. Thus the deficit puts no pressure on credit markets. The tax cut generates enough new savings to finance the deficit plus an increase in private investment.

It is theoretically true, of course, that government spending could increase rap-

idly enough to soak up all additional savings and restore pressure to monetize the deficit. But if government spending in real terms could be held to current levels for about two years, the Kemp-Roth bill would get us out of the high deficit, high inflation, low productivity, low growth doldrums, and save transfer programs like Social Security.

As for Mr. Stein, many proponents of Kemp-Roth agree with him that government spending is already too high, but this is a separate issue. Legislatively, tax bills are separate from spending bills, and there is no way to tie them together. The only purpose that could be served by the bill's sponsors calling for accompanying spending cuts would be to threaten the vested interests of the congressional spending committees and their constituents, leaving the bill hostage to a bitter and quite unnecessary political fight.

As for Mr. Heller, he does better when he takes off the Keynesian blinders and relies on his own experience with the Kennedy tax cuts. In his article on Kemp-Roth he says, "To attribute to the 1962–64 tax cuts all the expansion and revenue increases in 1963–68 boggles the mind. It totally ignores the huge (over) stimulus of the Vietnam expenditures." In other words, the tax cut did not pay for itself. But he saw these events differently in testifying before the Joint Economic Committee in February 1977.

ANTICIPATING THE LAFFER CURVE

In his testimony Prof. Heller anticipated the Laffer Curve, saying that the Kennedy cut "was the major factor that led to our running a $3 billion surplus by the middle of 1965 before escalation in Vietnam struck us. It was a $12 billion tax cut which would be about $33 or $34 billion in today's terms, and within one year the revenues into the Federal Treasury were already above what they had been before the tax cut." He concluded, "Did it pay for itself in increased revenues? I think the evidence is very strong that it did."

On this point Mr. Denison has something interesting to say. His estimate of the gap between actual and potential GNP for 1962 and 1963 is only $12 billion—the size of the Kennedy tax cut. Obviously, such a small gap left little room for an expansion based on increased demand and unused capacity. If Mr. Denison is correct, the substantial expansion that followed the tax cut had to be based on something else, a supply-side response to the higher after-tax rates of return.

Far from being wildly inflationary even with little unused capacity in 1962, the Kennedy tax cuts promoted healthy and noninflationary expansion. Once demand management is forgotten and incentive effects are understood, there is every reason to believe the Kemp-Roth tax cuts would do the same.●

CAPITAL GAINS TAXES FORCE HOMEOWNERS NOT TO SELL

● Mr. CHURCH. Mr. President, many older persons now find themselves in an impossible housing situation.

Large numbers want to sell their homes and move to a more modest dwelling, after raising their families.

But when they do, they are typically socked with a big capital gains tax. In addition, they are likely to be subject to a 15-percent minimum tax if the untaxed portion of their long-term capital gain exceeds $10,000.

The net effect is that they are in a "no-win" situation. If they remain in their homes, they are confronted with rapidly rising property taxes, maintenance costs, and energy charges. But when they sell and do not purchase a replacement residence costing as much or more than their former home, they pay a healthy chunk of the proceeds for Federal and State income taxes.

Recently, I sponsored legislation, S. 3385, to provide a one-time, up to $100,000 exemption from capital gains tax for persons who sell their homes.

The House of Representatives passed H.R. 13511—the Revenue Act of 1978—on August 10, which includes this capital gains exemption for the sale of personal residences.

This provision already has strong support, and I urge the Senate to approve it.

A recent article by Louise Cook in the Idaho Statesman provides compelling reasons to ease the capital gains burden for homeowners.

Mr. President, I commend this article—entitled "Capital Gains Taxes Force Homeowners Not To Sell"—to my colleagues, and ask that it be printed in the RECORD.

The article follows:

[From the Boise, Idaho Stateman, July 30, 1978]

CAPITAL GAINS TAXES FORCE HOMEOWNERS NOT TO SELL

(By Louise Cook)

Mary and Edward Burke are in their late 50s. They would like to leave the three-bedroom home they own for an apartment, but they can't afford to sell.

Burke is a made-up name; the problem is all too real.

It is a problem that causes people to accumulate huge, but artificial, profits during years of home ownership. Profits that are created by inflation but are still subject to capital gains taxes that can wipe out a large portion of a family's retirement nest egg.

Just as young couples find it tough to buy their first house, older people find it tough to sell their last one. "It's hard to get on the train and it's hard to get off," said Kenneth J. Thygerson, an economist with the U.S. League of Savings Associations.

The elderly in particular, he said, "feel locked in. They consume more housing than they want to."

Congress is trying to find a key to the lock. One potential solution is included in the $16.2 billion tax-cut bill approved by the House Ways and Means Committee and expected to reach the floor of the House during the week of Aug. 7.

The bill includes two provisions that would have the effect of eliminating capital gains taxes on the sale of a home in many cases. One provision would allow individuals—on a one-time only basis—to exempt from capital gains tax up to $100,000 of the profit from the sale of their principal residence as long as they had lived in it for two years.

Another section of the bill exempts from taxation any inflation-caused increase in the value of a home or other asset starting in 1980.

No one knows how many people move into a house, pay off the mortgage and remain, without ever selling their home and facing the capital gains problem. Census Bureau figures show that on the average, houses change hands every 10 to 12 years. One mortgage is exchanged for another. Mobility is greater in California and lower in New England.

Housing, said Thygerson, is "the only asset most people have that has risen faster than inflation." If you bought a house for $25,000 five years ago and sell it for $50,000 today, you have a theoretical profit of $25,000. You'll probably have to use up that profit—and more—to buy a replacement home, but, "If you hadn't had that house in the first place, you'd have been even worse off," Thygerson said.

"Once you're in a house you benefit by inflation," said Thygerson. The disadvantages become more apparent when you want to sell your home and buy a cheaper one or move into rental housing. That's where capital gains come in.

Under present law, payment of capital gains tax on profits from the sale of a home is deferred as long as you buy a replacement residence within 18 months that costs as much or more than the house you sell. The tax is only postponed; it is not forgiven. Any gain not taxed in the year you sell your old home is subtracted from the cost of your new house to determine what's known as the basis price used in later transactions.

Here's how it works:

You buy a house for $20,000 and, 10 years later, sell it for $40,000. Capital gain: $20,000.

With the proceeds from the sale of the first house you buy a second one, this time paying $50,000. The basis price of your new home for the purpose of capital gains will be $30,000—the actual purchase price minus the earlier capital gain. Fifteen years later, you sell the second house for $100,000. Capital gain: $70,000.

You rent an apartment and now it's time to pay the taxes. You must report $35,000 or half the capital gain on your return and pay tax according to your regular bracket. If you were in a 40 percent bracket, the capital gains tax on the $35,000 would be $14,000. The other half of the capital gain, minus a $10,000 exemption, is subject to a minimum tax of 15 percent. In this example, the minimum tax would be $3,750. Total tax: $17,750.

(If you are over 65, you are not subject to tax on the first $35,000 of your capital gain. Half of the other $35,000—$17,500—would be reported as regular income and half, minus the $10,000 exemption, would be subject to the minimum tax. In the above example, that would mean your tax bill would be $8,125.)

If the proposal passed by the House panel becomes law, you would face no tax on your profit since it comes within the $100,000 limit.

Suppose, however, you sell your second house for $150,000. Your total capital gain would be $120,000—$20,000 from the first house and $100,000 from the second house. If the sale took place today, you would face taxes on a capital gain of $20,000. If it took place after 1980, the inflation-adjustment provision would come into play. That provision allows you to adjust the basis price used for capital gains to reflect increases in the Consumer Price Index.

Let's assume it's 1990. In the 10 years between 1980 and 1990, the Consumer Price Index had increased by 75 percent. Your basis price of $30,000 also would be increased by 75 percent to $55,500. The $150,000 sale price minus the adjusted basis price would leave you with a capital gain of $94,500—within the exemption limit.●

PODRABINEK AND PSYCHIATRIC ABUSE

● Mr. CASE. Mr. President, in another move against human rights, a Soviet court on Wednesday sentenced Aleksandr Podrabinek to 5 years in internal exile.

Aleksandr Podrabinek is a member of the Working Commission on the Abuse of Psychiatry for Political Purposes and his book, "Punitive Medicine," has shed valuable light on Soviet abuses. That is why the Soviet state is taking its revenge on Podrabinek and his family. In March of this year, his brother Kirill Podrabinek, was sent off to 2½ years in camp for possession of a harpoon gun. And now we await a verdict on Aleksandr.

Far from the eyes and ears of the

world, hundreds, perhaps thousands, of people in the U.S.S.R. are immured in Soviet psychiatric hospitals. Not all of these people are political dissenters. Many are religious believers, or workers who have complained of unfair treatment on the job. And it is because Aleksandr Podrabinek has made known the fate of hundreds of these people in his book and in the bulletins of the commission, that the Soviets are putting him on trial.

One example of a person locked away in Soviet psychiatric prisons is Vasily Shipilov, born in 1922. He has spent 29 years of his life in Soviet camps and psychiatric hospitals. While a student at a Russian Orthodox seminary in 1939, he was sent off to the camps for 10 years. Released in 1949, the next year Shipilov was declared "schizophrenic" and sent to the Kazan Special Psychiatric Hospital. As a result of the insulin "treatment" to which he was subjected, Shipilov developed seizures and then was "treated" for "epilepsy." During the 19-year period he has been in psychiatric confinement, Shipilov has been beaten constantly because he followed religious observances. Now in a general psychiatric hospital in Siberia, a doctor in charge of his case, Prof. Elizaveta Kholodkovskaya, taunted Shipilov by saying that no one knows anything about him and that therefore "anything can happen to him."

The time is long overdue for the Soviet Union to halt such brutal and cynical treatment of suffering people in Soviet psychiatric prisons.

I ask that press reports of the trial and conviction, be printed in the RECORD.

The reports follow :

SOVIET DISSIDENT SENTENCED TO 5 YEARS IN EXILE

Moscow.—A Soviet dissident who probed the government's alleged use of psychiatric hospitals to suppress criticism was sentenced to five years' internal exile yesterday for defaming the state, Tass news agency said.

The one-day trial of a medical orderly, Alexander Podrabinek, 25, was held at Elektrostal, an industrial town 40 miles east of Moscow.

He was convicted of compiling a dossier alleging that authorities forced psychiatric treatment on dissidents to silence them.

Tass called his document slanderous and accused him of concocting lies.

Dissident sources said he refused to take part in the trial after he was denied the right of calling defense witnesses and was expelled from the court for smoking a cigarette.

Tass said the court thoroughly investigated all the information in his dossier and found that it was either rigged or lies.

Among other things, Tass said Mr. Podrabinek had invented a nonexistent psychiatric hospital at Novocherkassk, in southern Russia, in order to describe "horrible" conditions there.

The news agency said he had alleged that a patient named Levitin was shot dead on orders of a psychiatrist when he tried to escape from a hospital in Sychevka, west of Moscow. The investigation showed no one there knew such a person, Tass said.

Mr. Podrabinek will serve his exile sentence in a remote part of Siberia or the Soviet north, far from major population centers.

Elektrostal, where he was officially registered as living, is in an area barred to foreigners, and Western correspondents and diplomats could not travel there.

Mr. Podrabinek's 265-page dossier, published in the West by the political prisoners' defense organization Amnesty International, played a major part in bringing condemnation of the Soviet Union at a world psychiatric conference in Honolulu last year.

The young dissident was closely associated with the "Helsinki group" which issued documented reports alleging Soviet violations of the human rights commitments included in the Final Act of the 1975 European Security Conference in the Finnish capital.

Leading members of the group—Yuri Orlov, Alexander Ginzburg and Anatoly Scharansky—as well as others who formed similar groups in several provincial Soviet cities have been tried in recent months and given heavy labor camp terms.

Earlier this year Mr. Podrabinek told Western newsmen that he had been warned by KGB security police investigators that he would face jail himself if he did not agree to give evidence against Mr. Orlov.

According to his account, he refused and was arrested at Mr. Orlov's trial—at which the Helsinki group chairman was sentenced to seven years in a labor camp and five more in exile—began.

[From the Washington Post, Aug. 16, 1978]

SOVIET COURT IMPOSES INTERNAL EXILE ON CRITIC OF "PUNITIVE" PSYCHIATRY

Moscow.—Aleksandr Podrabinek, the driving force behind a dissident group that publicized alleged abuses of psychiatric treatment in the Soviet Union, was convicted of anti-Soviet slander yesterday and sentenced to five years of internal exile, the official news agency Tass reported.

Western correspondents were barred from the trial, which was held in a court in Podrabinek's hometown of Elektrostal, 40 miles from Moscow in an area closed to foreigners.

In a telephone call to reporters, a friend of Podrabinek said the defendant's father and stepmother were admitted to the proceedings, but friends were not allowed in.

Podrabinek, 24, is one of the youngest and most energetic of the Moscow dissidents.

He was arrested May 14 on charges stemming from his book, "Punitive Medicine," which Podrabinek smuggled to the West.

The 265-page book is the product of three years' work, including a tour through Siberia, during which Podrabinek visited mental hospitals, once posing as a doctor.

It details what Podrabinek says is evidence that pyschiatric incarceration is used here as a means of punishing dissenters such as Vladimir Bukovsky, who was allowed to leave the Soviet Union in 1976.

Podrabinek's arrest came on the eve of the trial of Yuri Orlov, founder of a dissident group that publicized Soviet noncompliance with the 1975 Helsinki accords.

Orlov was sentenced to seven years' hard labor plus five years' internal exile for anti-Soviet agitation. Podrabinek's group investigating psychiatric treatment was a branch of Orlov's group.

The list of other Moscow dissidents sentenced this summer includes Anatoly Scharansky, who got 13 years in prison for espionage; Aleksandr Ginzburg, eight years for anti-Soviet agitation, and Vladimir Slepak, three years for creating a disturbance when he demonstrated for the right to emigrate.

[From the Baltimore Sun, July 17, 1978]

RUSSIAN REPORTS PUNITIVE ASYLUMS

Moscow.—A Moscow psychiatrist said yesterday that people without mental problems are hospitalized in Soviet asylums as a form of punishment.

At a news conference held by a dissident group, Dr. Aleksandr Voloshanovich said he decided to speak out because of the conviction Tuesday of Alekrandr Podrabinek, a young dissident who gathered evidence about the situation in psychiatric hospitals.

Dr. Voloshanovich, 37, is on the staff of Moscow's Dolgoprudny Psychiatric Hospital. He said he checked 27 persons who told Mr. Podrabinek's group they were wrongly committed for treatment and, "Among those I examined I found not a single case of definite mental illness."

Soviet medical personnel who have defected have previously reported such instances. Dr. Voloshanovich is the first Soviet doctor still in residence in the Soviet Union to make such a charge.

Mr. Podrabinek, 24, an ambulance medic who smuggled a 265-page book to the West alleging widespread misuse of psychiatric treatment, was convicted of "anti-Soviet slander" and given five years of Siberian exile.

The dissidents said he rejected the help of his Soviet lawyer, refused to take part in the court proceedings, lit a cigarette in violation of court rules and was finally ejected when he began whistling the toreador music from the Bizet opera "Carmen."

Dr. Voloshanovich said he had worked as an anonymous consultant for Mr. Podrabinek and his group, which compiled the case histories of more than 200 persons allegedly sent to insane asylums after coming into conflict with the authorities.●

UNITED STATES-SOVIET MILITARY BALANCE AND SALT

● Mr. HART. Mr. President, last Thursday, August 10, two of my colleagues, the Senator from Maryland (Mr. MATHIAS) and the Senator from Iowa (Mr. CULVER) appeared on NBC's "Today Show" to discuss the United States-Soviet military balance and SALT. I commend the text of their interview to all my colleagues. In it, they make many excellent points which serve to dispell some of the unthinking alarmism surrounding assessments of our present strategic situation. Three of their points stand out particularly:

Nuclear "superiority" is meaningless in today's world, where neither superpower can destroy the other's retaliatory forces, nor with confidence "win" a nuclear war in any meaningful sense.

The approximately 6,000 nuclear warheads and bombs that would remain to us even after a successful Soviet surprise "first-strike" against our Minuteman forces would be enough to cause inconceivable damage to the Soviet Union.

The Soviets do not now have this capability. Even if they were to achieve the accuracies some predict for them by the mid-to-late 1980's, enough uncertainties would remain about the possible success of such an attack to render such a "first-strike" an insanely suicidal risk.

The provisions of SALT II, while not finalized, give every indication of being in our strategic national security interests. Not only will this agreement force the Russians to dismantle some 200 to 300 strategic nuclear launcher vehicles over the time frame of the agreements, while we retain all those we currently deploy; we will also be unrestricted in pursuing those strategic programs already underway: development of the cruise missile and the MX missile, and deployment of the Trident submarine system.

Mr. President, I ask that the text of the interview of Mr. MATHIAS and Mr. CULVER by Robert Abernathy on the August 10 "Today Show" be printed in the RECORD.

The interview follows:

TEXT OF THE INTERVIEW BY NBC CORRESPONDENT ROBERT ABERNATHY

ABERNATHY. The argument, it seems to me, Senator Mathias, is this question of whether more power means more security. It's argued that we must be superior to the Soviets, not just roughly equal. Why shouldn't we be superior?

MATHIAS. Well, it seems to me that the important thing is to be secure, to absolutely guarantee the safety of the United States, to be strong enough to keep the peace. And I think we are strong enough and will be for the foreseeable future.

ABERNATHY. This new Coalition for Peace Through Strength argues that we need to be stronger than the Soviets because, while we would not strike them first, Senator Culver, they might launch a first strike against us. Only if we are superior, it said, could we have enough power left over after our first strike to retaliate. How do you reply?

CULVER. Well, first of all I think the quest for superiority, or lopsided advantage in the real world today where both sides have such staggering mutual nuclear overkill capacity, is really an illusion. I don't think such a quest will bring more security and we'll never be able to return to where we had the advantages, like the 50's and the 60's. Now if the Soviet Union were to be so unwise as to initiate, for example, an attack on the United States today, in our inventory we have a two-to-one strategic nuclear warhead delivery capability. We have over 9,000 in our inventory; the Soviets have 4,200. Even a first strike against our land-base system, would still leave about 6,000 nuclear warheads on our submarines and our bombers that could inflict unacceptable, devastating damage on the Soviet Union and destroy that society.

ABERNATHY. The Soviets, of course, are far stronger than we are in conventional forces, in total number of men in uniform. If they have this advantage in conventional forces, shouldn't we then have a big advantage and try to get a big advantage in other kinds of ways?

MATHIAS. Well, we have different kinds of defense problems. We have different military problems to overcome, and we have certain very strong advantages in the way we have deployed our forces around the world. We have tactical nuclear weapons. There are, within the free world, about 10,000 tactical nuclear weapons, in addition to the strategic weapons.

ABERNATHY. Don't the Soviets have a lot more air defense and civil defense than we do? And isn't it possible, therefore, they could imagine that they could hit us, and take a strike in return and in effect win a nuclear war? I have heard this argument and suspect this is behind a lot of this nuclear debate now.

CULVER. Two weeks ago, the subcommittee that I chair on the Senate Armed Services Committee released a study, which was an interagency intelligence community study that the CIA released, which demonstrated, I think, very powerfully that while it is true the Soviet Union has dedicated a great amount of money to their own domestic civil defense program, that, in fact, the status of that program in its strengths would not be sufficiently great in order to give them a high confidence that they could ever initiate an attack against the United States without accepting incredible damage—an estimated 100 million people killed, even if we didn't have any notice on our retaliatory strike.

ABERNATHY. We have no air defense. We have no effective civil defense. Should we have both those?

MATHIAS. Bob, it just happens that today is the 33d aniversary of the bomb that dropped on Nagasaki. I went to both Nagasaki and Hiroshima within a few weeks after those bombs were dropped. I have some personal concept of what nuclear warfare is like. Civil defense under these conditions would be extremely difficult. I think the point that people have really got to remember is that when you are dealing with nuclear warfare, the question of civil defense, of huddling into shelters, all of that, is really an illusion, and that what we have to do is to find ways to avoid nuclear conflicts.

ABERNATHY. Both of you serve as advisors to the U.S. negotiators who have been working on a new strategic arms limitation treaty. How close are we to a new agreement?

CULVER. I think we have still three or four very difficult unresolved issues and I think it's very hard to put a definite timetable on when it will be successfully resolved.

ABERNATHY. From what you have heard about what's been agreed so far and what is likely to be agreed, are you confident that this new agreement would not freeze us into some inferior and dangerous position?

CULVER. I can't conceive of any individual member of the United States Congress, or the institution collectively, ever accepting, or ever could or should accept any agreement that would ever have that consequence.

ABERNATHY. No unilateral disarmament?

MATHIAS. No, in fact, this agreement, if it is finally achieved, will require the Soviets to destroy between two and three hundred launchers. I think it will really stabilize our position.

ABERNATHY. So where do we come out now? You argue that it is impossible any more, really, in the world as it is, to be superior, but then we've got this strategic arms limitation treaty probably coming sometime this fall?

MATHIAS. Of course the problem with trying to achieve superiority is that you just give the Russians an incentive to do the same thing and you keep on leap frogging each other until the economic problems connected with this arms race bring down your economy.

ABERNATHY. Do you think that the Senate will ratify the kind of SALT treaty that you expect, if it comes next year?

CULVER. I think all that we can go on is the tentative outline of an agreement that we now have pending before us in Geneva. Now, I think, if we are successful in resolving those remaining issues, and it's a big if. But in my judgment that would have the consequence enhancing strategic stability. It would have the consequence, initially, of disciplining the arms competition in the future, and we have to consider what our security situation would be in the absence of any agreement in those same years, and I think that by that standard definition it will be very much in our interest to have a treaty.●

SALT II

● Mr. GARN. Mr. President, one of the basic issues to consider in the SALT treaty now under negotiation is the question of verification. The record of the Soviet Union forces us to conclude that only if its compliance can be verified by the United States can we be confident that the terms of the treaty are being respected. In assessing the verification provisions of SALT II, we fortunately have as a guide the record of Soviet observance of SALT I; in view of the basic consistency found throughout Soviet behavior, we can use that to identify the kind of problems which could arise with regard to observance of a new agreement.

On February 28, 1978, the Arms Control and Disarmament Agency published an analysis of the many allegations of Soviet noncompliance on SALT I which have arisen. Its conclusion, which represents the views of all the executive agencies dealing with arms control, is a positive one, dismissing many of the allegations, and expressing doubt that violations of significant magnitude could take place.

A different perspective on the issue emerges, however, through the research of John G. Behuncik, Congressional Fellow for National Security Affairs at the Heritage Foundation. Although I may not totally agree with Mr. Behuncik's views, he presents a thoughful report, "Examining SALT Violations and the Problems of Verifications," and analyzes 12 separate charges of Soviet noncompliance. He concludes that the Soviet Union has committed a number of violations which are disturbing, both in the context of present national security concerns, and as a comment on probable Soviet behavior in implementing future treaties.

I commend Mr. Behuncik's excellent analysis to my colleagues and ask that it be printed in the RECORD.

The analysis follows:

EXAMINING SALT VIOLATIONS AND THE PROBLEMS OF VERIFICATION

INTRODUCTION

Of central importance to effective strategic arms control is the ability of the parties to independently monitor each other's compliance with the provisions of negotiated agreements. Adequate verification procedures are essential to enhance confidence in the limitations on advanced weapons systems and to guard against the incremental violations of an accord which could alter the prevailing military balance.

As the United States and the Soviet Union move toward completion of a second-stage agreement in the Strategic Arms Limitation Talks (SALT II), concern about the reliability of our intelligence-gathering systems has assumed increasing significance. Indeed, some observers contend that the verifiability of the terms of a new pact may be the single most critical parameter for judging the merits of the entire package.

The initial SALT Accords of May 26, 1972, consisted of a five-year Executive Interim Agreement on Offensive Strategic Systems and an Anti-Ballistic Missile Treaty of indefinite duration. The Interim Agreement placed limits on the numbers and permissible conversion options of fixed, land-based intercontinental ballistic missile launchers (ICBMs), submarine-launched ballistic missiles (SLBMs), and ballistic missile-firing submarines, while the ABM Treaty limited the number and kinds of missile defense each nation could separately deploy. The present atmosphere of growing skepticism contrasts sharply with the euphoria of 1972, a change resulting from several interrelated factors. Among these are the following:

(a) disclosure of allegations that the Soviet exploited to the perimeter of legal permissibility (if not actually violated) the provisions of SALT I,

(b) the probable inclusion in SALT II of controversial "understandings" which, whether formalized or not, would further complicate an already questionable verification and enforcement process,

(c) indications that the Soviets have de-

veloped, or are developing, various means to retard U.S. monitoring techniques, and

(d) a series of political disputes between the two countries, a by-product of which is a perceived downgrading of detente and the expectation that the SALT negotiations could serve as a vehicle for enhancing mutual trust and cooperation.

On February 28, 1978, in response to a request by the Senate Foreign Relations Committee, the State Department's Arms Control and Disarmament Agency submitted a detailed summary of the various allegations of Soviet non-compliance with the provisions of SALT I. The objective of the report, said to represent the composite view of all executive branch agencies dealing with the arms control process, was to allay critics' fears that the Carter Administration's own political commitment to a SALT II Agreement, contingent upon Senate ratification, was such as to compromise our capacity to independently verify Soviet adherence to the agreement by accepting unwarranted risks.

While conceding the possibility of some undetected cheating under the pact's prospective terms, the report stated that any violations of such a magnitude as to modify the nuclear balance "would be discovered in time to make an appropriate response." [1] The response could be expansion of U.S. arms programs and possible abrogation of the pact. Nevertheless, an arms control package which the Soviet Union could admittedly evade even partially would severely reduce the prospects for congressional approval.

The purpose of this study is to analyze the various allegations cited in the State Department's report, their disposition as they relate to current American verification practices, and their implications for follow-on agreements and the course of the superpower strategic relationship.

THE POLITICAL/STRATEGIC NATURE OF SALT VIOLATIONS

With respect to complex U.S. verification procedures, the State Department report notes that all intelligence information is analyzed within the framework of the provisions of an agreement, and recommendations on questions that arise are developed by inter-agency intelligence and policy advisory groups of the National Security Council system. Currently, these include an intelligence community steering group on monitoring strategic arms limitations and the Standing Consultative Commission working group of the National Security Council special coordination committee. If analysis of available intelligence data indicates possible Soviet non-compliance, the National Security Council working group submits recommendations to the President, who retains ultimate responsibility for deciding to raise the issue with the Soviet Union.[2]

It is virtually impossible to devise treaties and/or agreements regulating strategic nuclear armaments which would be devoid of all potential for conflicting legal interpretations of technical details. The latitude for discussion and disagreement is inherent in deliberately ambiguous treaty languages which attempts to accommodate the complexities of diverse U.S. and Soviet force structures as well as competing political interests.

Where violations of an accord are alleged, the technical details are surely important, if only because they comprise the currency of debate. However, the confrontation of legalistic arguments must not be allowed to obscure the larger meaning of ambivalent, even potentially dangerous strategic behavior. What is indeed important is what the range and scale of alleged infractions reveal about the political and strategic attitudes which an adversary brings to the negotiations, and what may be anticipated in their aftermath. These attitudes relate not only to what an agreement makes explicitly permissible, but also to what that adversary feels is technically exploitable, irrespective of its legality.

One might properly question why the United States feels compelled to resort to legalisms in order to redress perceived Soviet non-compliance with SALT I, particularly when the arms control function is itself heralded as a manifestation of the spirit of detente. However, save when it serves their interests, the Soviets have not demonstrated a similar inclination to endorse the notion that arms control agreements have an intrinsic spirit which is mutually binding. In fact, the relentless competition which motivates the Soviet approach toward SALT (as toward all outstanding political issues) helps explain in part why those crucial elements that escaped common definition were left unresolved.

These ambiguities resulted not from an accident of the negotiating process or a lack of Soviet comprehension, but rather from the exigencies of Soviet strategic interests as they related to systems under development or soon to be tested.[3]

Thus, U.S insistence on legalistic defenses can be self-defeating if sufficient account is not taken of the political context within which strategic arms control negotiations are conducted. It is with these considerations in mind that the alleged Soviet violations of SALT I, as well as the State Desame, must be evaluated.

ALLEGED SOVIET INFRACTIONS OF THE INTERIM AGREEMENT ON OFFENSIVE MISSILE SYSTEMS

1. Construction of Special-Purpose Silos (Launch Control Facilities)—

According to Article I of the Interim Agreement:

"The Parties undertake not to start construction of additional fixed, land-based intercontinental ballistic missile (ICBM) launchers after July 1, 1972." [4]

The number of operational ICBM launchers permitted each side when the Interim Agreement entered into force totaled approximately 1,618 for the Soviet Union and 1,054 for the United States. Subsequent U.S. surveillance in 1973 determined that the Soviets were constructing some 150 additional silos of a different design at their ICBM fields along the trans-Siberian railway in Soviet Asia. Far from denying the allegation, the Soviets explained the excavation efforts as involving hardened ICBM launch control facilities for testing and training purposes, since structures designed to potentially house operational ICBMs would directly contravene Article I.

A suspicious degree of similarity apparently existed, however, between the characteristics of the new "launch control" silos and those of conventional ICBM complexes. Like the latter, the facilities in question were reported to be cylindrical in shape, with "blow-away" doors and launcher-type suspension equipment.

That these facilities could be virtually dual-capable, with little advanced warning, is less an allegation and more a potential cause for concern. However, launchers for the purposes specified by the Soviet Union are sanctioned by the Interim Agreement and further derive their legal justification from an American Letter of Submittal accompanying the ABM Treaty (U.S. Secretary of State to the President, June 10, 1972) which held that such launchers could "be constructed at operation sites."

The State Department's assessment of the issue concludes as follows:

"In early 1977, following further discussions during 1975 and 1976 and a review of our intelligence on this subject, the US decided to close discussion of this matter on the basis that the silos in question are currently used as launch control facilities." [5]

It would appear implausible that the Soviets would risk the illegal installation of some 150 new missiles, knowing that a program of such magnitude could not go undetected. However, the Department report does not deal with the question of whether former launch control facilities have been properly dismantled, in light of which the additional silos could theoretically serve a purpose beyond that specified by the Soviet Union.

2. Soviet Dismantling and Destruction of Replaced ICBM Launchers—

The Interim Agreement and accompanying Protocol permitted Soviet deployment of no more than 950 SLBM launchers and 62 modern, nuclear-powered ballistic missile submarines. Beyond the level of 740, moreover, Soviet SLBM launchers could become operational only as one-for-one replacements for older ICBM and SLBM launchers. The latter would be dismantled or destroyed in accordance with the agreed procedures which became effective on July 3, 1974, and which included detailed requirements regarding the timing and notification of compliance.

United States intelligence determined that by 1976, the Soviets "had developed a requirement to dismantle 51 replaced launchers." Available evidence indicated that the necessary activities would not be completed on time, but the Soviets pre-empted American notice of non-compliance by acknowledging in the Standing Consultative Commission the delay in dismantling 41 older ICBM launchers. They predicted that the replacements would be completed by June 1, 1976, and agreed to the U.S. demand that no more submarines with SLBM launchers would commence sea trials prior to such completion.

The State Department report stipulates that both conditions have been fulfilled, yet its conclusion regarding this issue is somewhat ambiguous:

"Since that time, although we have observed some minor procedural discrepancies at a number of those deactivated launch sites and at others as the replacement process continued, all the launchers have been in a condition that satisfied the essential substantive requirements which are that they cannot be used to launch missiles and cannot be reactivated in a short time." (Congressional Record p. 4963).

It is appropriate to inquire as to how forcefully the United States has impressed upon the Soviet Union our expectation that "care would be taken to ensure that . . . notification . . . was in strict accordance with the agreed procedures." (Congressional Record p. 4963). The acknowledged "procedural discrepancies" suggest that the Soviets are not unprepared to take incremental advantages of what may be perceived as a relaxation of U.S. surveillance efforts. Two years ago, for example, the United States had to demand that the Soviet Union dismantle some SS–7 and SS–8 ICBM launchers to compensate for submarines armed with ballistic missiles.

Voluntary Soviet restraint cannot realistically be anticipated, particularly in programs where the opportunities for securing unilateral advantages appear promising. Indeed, the recent controversy over the number of operational ballistic missile submarines underscores this point. Intelligence sources have confirmed that the Soviets have 64 submarines at sea, two more than the number authorized by the Interim Agreement. In 1972 Secretary of Defense Laird stated that "I would consider it a violation of the intent of this agreement to go beyond 62 submarines of the Y Class." Moreover, "We would consider any new construction starts which were merely for the purpose of maintaining the momentum of the Soviet Union construction program to be contrary to the intent of the agreement." [6]

The Carter Administration claims that, because the additional boats have not undergone sea trials, the Soviets have not technically violated the provisions concerning deployment levels. However, the U.S.S.R. also has three Delta-class submarines outfitted

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for operational use as well as six or seven Hotel-class boats which exceed the SALT I limits. Viewed against the backdrop of overall Soviet strategic efforts, the Administration cannot dismiss lightly even minor abridgments of provisions governing the launcher replacement process.

3. Light and Heavy ICBMs (The Modern Large Ballistic Missile Issue)—

Under Article II of the Interim Agreement:

"The Parties undertake not to convert land-based launchers for light ICBMs, or for ICBMs of older types deployed prior to 1964, into land-based launchers for heavy ICBMs of types deployed after that time." (*D&D* p. 122)

The Soviet Union was permitted 313 so-called "heavy" ICBMs (SS–9s and follow-ons) in SALT I. The ostensible purpose for delineating a "heavy missile" sublimit was to restrict Soviet missile payload and thereby constrain its hard-target counterforce potential. The entire issue was characterized by definitional vagaries, however, in particular with regard to what quantitatively constitutes a "heavy" ICBM. Indeed, the U.S.-Soviet "Common Understanding(s)" dealing with the modernization and replacement process stated only that the *dimensions* of land-based ICBM silo lanuchers could not be significantly increased, an obscure guideline whose subsequent elaboration simply restricted any planned increase to "no more than 10–15 percent."

In the absence of a formal agreement on the permitted volume of ICBMs themselves (the relevant SALT texts and accompanying protocols refer only to silo-launchers, not to missiles), the United States delegation submitted a Unilateral Statement on May 26, 1972, which expressed regret.

". . . that the Soviet Delegation has not been willing to agree on a common definition of a heavy missile . . . The United States would consider any missile having a volume significantly greater than that of the largest light ICBM now operational on either side to be a heavy ICBM. The United States proceeds on the premise that the Soviet side will give due account to this consideration." [7]

The Soviet Union was charged with violating the Interim Agreement when it was established in early 1975 that the SS–11 ICBM system, the largest light ICBM then operational on either side, with a volume of 69 cubic meters, was being replaced with the SS–19 "heavy" ICBM, whose volume was approximately 100 cubic meters. For the record, the United States had served notice on the Soviets that it would consider any missile with a volume exceeding 70 cubic meters to be a "heavy" missile, thus absolutely qualifying the SS–19 for inclusion in this category. However, intelligence sources did not detect that the Soviet Union had increased the dimensions of its silo launchers beyond the 10–15 percent stipulated in the Common Understanding.

The State Department report treats the SS–19 issue in the following manner:

"The USSR Delegation maintained the position throughout SALT I that an agreed definition of heavy ICBMs was not essential to the understanding reached by the sides in the Interim Agreement on the subject of heavy ICBMs, and made clear that they did not agree with the U.S. statement . . . When deployment of the SS–19 began, its size, though not a violation of the Interim Agreement provisions . . . caused the U.S. to raise the issue with the Soviets . . . Our purpose was to emphasize the importance the U.S. attached to the distinction made in the context of the SALT II agreement under negotiation at the time . . .

"Since that time, the United States and the Soviet Union have agreed in the draft text of the SALT II agreements on a clear demarcation, in terms of missile launch-weight and throw-weight, between light and heavy ICBMs." (Congressional Record p. 4962.)

The modern large ballistic missile (MLBM) issue must be assessed from the proper strategic perspective, especially with respect to the nature of increases in silo dimensions. The 10–15 percent limit on enlargement, when translated into the volume of a cylinder-shaped silo, could actually sanction an expansion of nearly 30 percent for one dimension (length *or* diameter) or almost 52 percent if a fifteen percent increase is registered in both length and diameter. In hearings in 1972, Secretary Kissinger referred to the specific "safeguard" that "silo configuration cannot be changed in a significant way . . . this meant that it could not be increased by more than 10 to 15 percent." [8] Elaborating on this point, Paul Nitze, a member of the negotiating team, emphasized that "the background to the negotiations makes it clear that an increase of up to 15 percent would be permitted in only one dimension (or possibly a combination of two dimensions), not in both depth and diameter." [9] Furthermore, according to defense analyst Colin Gray:

"The permitted increase in silo volume . . . in tandem with the technology of the cold launch, which allows ICBMs to be expelled from silos by means of compressed air (meaning that the usable diameter of a silo is increased by up to fifty percent), amounts to an absence of any meaningful restraint upon the size of 'light' ICBMs. All that the Soviets are violating with the deployment of the SS–19 (which is hot-launched in the conventional manner) is a unilateral American understanding of what is and what is not a 'light' ICBM." [10]

By specifying constraints upon the size of the replacement of "light" ICBMs and by restricting the increase in the size of ICBM silos, the United States had intended to partially resolve, or at least defer, its potential counterforce problems. This was considered urgent in view of the increasing vulnerability of our land-based Minuteman ICBM force. However, the negotiated means were inadequate to achieve the desired ends. American policymakers assumed that to achieve the desired ends. American policymakers assumed that

(a) the volume and thus the throw-weight and the payload of Soviet ICBMs would be regulated by the arms control discipline, and

(b) it would be impossible for the Soviet Union to retrofit its SS–11 silos with a new, significantly larger missile.

Subsequent Soviet evading activities, in the form of new ICBM's which affronted the (American-defined) spirit of SALT I, but not its letter, proved sufficient to dispel these assumptions and frustrate the United States' rationale in drawing a distinction between light and heavy ICBMs. Indeed, the Soviet hard-target counterforce capability has been augmented since SALT I with the testing of several new generations of "silo-busting" ICBM systems. Depending on how (or even if) the MLBM issue is resolved in SALT II, the distinction between light and heavy ICBMs might be nothing more than a rhetorical convenience, yet one whose strategic and legal currency will be grossly depreciated.

4. Mobile ICBMs—

The development and testing of mobile ICBMs are not prohibited by SALT I, yet the United States long since placed the Soviet Union on notice that land-mobile ICBMs are systems of particular sensitivity in American strategic perceptions. To this end, the U.S. delegation authorized a Unilateral Statement on May 20, 1972, which observed that, although the issue of land-mobile ICBMs was deferred

". . . to subsequent negotiations . . ., the United States would consider the deployment of operational land-mobile ICBM launchers during the period of the Interim Agreement as inconsistent with the objectives of the Interim Agreement." [11]

It is an interesting sidelight that, while American strategic thinking on the feasibility of retaining a land-mobile option has evolved rapidly since 1972, U.S. officials—until perhaps the Vladivostok Accord of November 1974—feared that the Soviets might pursue their land-mobile option as a means of circumventing the provisions of the Interim Agreement.

A similar occurrence is possible in SALT II if the United States proves unsuccessful in restricting the deployment of the Backfire bomber within the common aggregate ceiling on strategic launchers.[12]

The Soviet mobile system which aroused American curiosity in early 1976 was the SS–20. Though ostensibly an intermediate-range missile, the SS–20 could be modified for land-mobile purposes from a stationary position and could acquire an intercontinental capability by reducing the total weight of its payload or by adding another propulsion stage. Moreover, it incorporates the first two rocket stages of the intercontinental-range SS–X–16 system, the verification of whose testing had been complicated by presumed deliberate concealment efforts. (See the section on "Concealment at Test Ranges").

Related to the testing of the SS–20 missile, moreover, was the charge that the Soviets had encrypted the data outlining its performance, which is transmitted continuously to ground stations by telemetric signals. Since the United States could receive and analyze this telemetry, the apparent indecipherability of the imagery was considered an impediment to verification in violation of Article V(iii) of the Interim Agreement. Subsequent U.S. decoding of SS–20 telemetry led analysts to believe that the missile had been tested with some 2,000 pounds of ballast which, if replaced by fuel, would assure an intercontinental capability.[13]

After noting that the potentialities for intercontinental range conversion of the SS–20 system had "been discussed in the press," the State Department report concludes:

"The SS–20 is being deployed to replace older medium and intermediate-range missiles. It is judged to be capable of reaching the Aleutian Islands and western Alaska from its present and likely deployment areas in the USSR; however, it cannot reach the contiguous 48 states from any of its likely deployment areas in the Soviet Union . . . There is no evidence that the Soviets have made any . . . modifications to the SS–20. We have confidence that we would detect the necessary intercontinental-range testing of such a modified system." (Congressional Record p. 4964.)

Furthermore, the Department's findings [Section V(E)] exonerate the Soviet Union from any culpability in denying test information (via the encoding of telemetry) which would inhibit verification of compliance with Agreement provisions.

The legal accountability of Soviet actions is ambiguous inasmuch as the USSR never initiated or signed any provisions in SALT I dealing with offensive mobile systems. Moreover, the language of the American Unilateral Statement referred only to the "deployment" of mobile land-based ICBM launchers. As such, the testing and development of these systems would theoretically be outside the sanctions of the Interim Agreement, although the United States would have the right to monitor certain activities (e.g. deliberate concealment measures) which might contravene SALT I terms.

That the SS–20 could be upgraded for intercontinental missions is beyond serious academic dispute. However, the Soviets have not confirmed U.S. intelligence detection of deployment of the SS–16 or the SS–20. Actual deployment of these systems would be in-

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consistent with the American Unilateral Statement, and the SS-20, as a "gray-area" system, would compound verification problems as well as the manner in which such systems were dealt with in follow-on SALT pacts.

PRINCIPAL ALLEGED SOVIET VIOLATIONS RELATING TO THE ANTI-BALLISTIC MISSILE TREATY

1. Testing of Air Defense Radars and/or Missiles, in particular the SA-5 Griffon and SA-2 Guideline, "in an ABM mode"—

In addressing itself to the contentious "SAM-upgrade" issue, Article VI of the ABM Treaty enjoins the Parties

(a) . . . not to give missiles, launchers or radars, other than ABM interceptor missiles, ABM launchers or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode, and

(b) not to deploy in the future radars for early warning of strategic ballistic missile attack except at locations along the periphery of its national territory and oriented outward. (D & D, pp. 117–124).

United States intelligence analysts have long believed that the SA-5 Griffon air defense missile, currently emplaced around approximately 110 urban areas, has inherent dual-purpose capabilities and could rapidly be configured to accommodate the sophisticated computer and radar technologies appropriate to anti-missile systems. The initial revelations in 1973 of suspected Soviet violations of limitations on AMB testing were complicated by prior disagreement over what was actually proscribed.

The United States had authorized a Unilateral Statement on April 7, 1972, according to which infractions of the ABM Treaty would be alleged if "an interceptor missile . . . (was) flight-tested to an altitude inconsistent with interception of targets against which air defenses are deployed." [14] (The reference is to testing altitudes in excess of 100,000 feet). Satellite reconnaissance of Soviet SA-5 test firings at the Kapustin Yar desert range north of the Caspian Sea provided circumstantial indications that the missile's radar system may have been tracking ballistic vehicles during the re-entry phase of their flight trajectory into ABM test ranges.

The Soviet Union asserted (May 5, 1972) that high-altitude, non-ABM radars were permissible in "range safety and instrumentation" roles for purposes of precision tracking and data collection outside of (and inferentially on) agreed test sites such as Sary Shagan. In categorically rejecting charges of developing nascent ABM capabilities through the upgrading and possible conversion of surface-to-air missile systems, however, the Soviets nevertheless were noncommittal about the types of radar technologies (specifically, phased or non-phased array) that could acceptably be deployed at facilities apart from the regular ABM test sites.

The State Department report exhibits an unsettling ambiguity in its conclusions on the subject of possible ABM testing with air defense radars and missiles. Regarding the ABM radar problem (involving the SA-5 system), Section III (D) of the report observes that, shortly after the formal notification,

". . . the radar activity of concern during Soviet ballistic missile tests had ceased. The U.S. has continued to monitor Soviet activities carefully for any indications that such possible testing activity might be resumed." (Congressional Record p. 4902)

Yet Section V (C), dealing with the ABM testing of air-defense missiles, states:

"Our close monitoring of activities in this field has not indicated that ABM tests or any tests against strategic ballistic missiles have been conducted with an air defense missile; specifically, we have not observed any such tests of the SA-5 defense system missile, the one occasionally mentioned in this connection in the open press." (Congressional Record p. 4964)

It seems strange that one component of the system would undergo extensive testing, while the other, necessary for its effective functioning, was supposedly not tested at all. Beyond the apparent discrepancy in the Department's report lies an important fact corroborated by intelligence sources: Although the Soviet Union eventually ceased the radar activities of concern, more than a dozen tests had been conducted prior to the formal United States notification demanding suspension, a number sufficient to accumulate the information desired.

2. The Development and Testing of Mobile ABM Radars—

At first glance, Article V(1) of the ABM Treaty appears sufficiently straightforward as to dispel those uncertainties which might otherwise complicate the verification process. It states that "each Party undertakes not to develop, test or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based." (*D. & D*, p. 119) The margin of ambiguity relates to the definition of "mobile."

In order to minimize potential misunderstanding, the United States had declared (January 28, 1972) that "a prohibition on deployment of mobile ABM systems and components would rule out the deployment of ABM launchers and radars which were not permanent fixed types." [15] The vague Soviet response (April 13, 1972) affirmed the "general common understanding" which characterized evaluation of the matter.

Since 1971, the Soviets have installed at designated ABM test sites several radars associated with an ABM system currently under development. In particular, the radars installed at the Sary Shagan range are reported to possess properties which obscure the necessary distinctions between normally verifiable stationary systems and those with mobile capabilities which could evade detection. Some evidence exists that phased-array radars are employed, with both electronic and mechanical steering of the beam for direction and elevation. These upgraded systems can be erected far more rapidly than earlier versions and are likewise capable of employment on alternate basing structures. They are widely assumed to be transportable by secondary means, though whether they are independently mobile and hence readily concealable continues to plague resolution of the issue. Assuming that allegations of mobility could not be sustained, the system's capabilities would still be contingent upon whether it was employed in conjunction with other ABM radars during specific phases of the missile defense function.

In any event, United States analysts believed that the new radars could, with minor modifications, be integrated with present ABM radar systems to track American ICBM routes and avoid a radar blackout during a ballistic warhead detonation. The State Department report concludes that the Soviet Union has not legally violated the Treaty by deploying a mobile ABM radar system, noting also that the time involved for installation of such a radar would be excessive. The lingering skepticism in the intelligence community, however, owes to the original absence of a mutually accepted definition of "mobile," and the potential for recurrence of a problem with obvious strategic implications.

3. Installation of an ABM Radar at Kamchatka Peninsula—

Construction and operation of a new phased-array radar system at the Kamchatka impact area of the Soviet Union's ICBM test range was detected in October 1975. Prior to the signing of the SALT I accords, the United States, in something of a preventive initiative, compiled and submitted a list of permitted American and Soviet test sites. The objective was to remove the ambiguity of Article V of the ABM Treaty, which provides that limitatio..s "shall not apply to ABM systems or components used for development or testing, and located within current or additionally agreed test ranges." (*D & D*, p. 118)

Kamchatka was not included in the tentative draft, yet the Soviets neither confirmed nor denied its accuracy or completeness, observing instead that national technical means of verification assured against misunderstanding. The issue was further complicated by the presence of an older ABM-type radar which "could be viewed as having established the Kamchatka impact area as an ABM test range at the time the ABM Treaty was signed." (Congressional Record p. 4966)

American policymakers feared that the Kamchatka radar, while ostensibly part of the Soviet Union's test range equipment, might be used to augment its overall perimeter ABM coverage. The State Department report notes:

"The Soviets indicated that a range with a radar instrumentation complex existed on Kamchatka Peninsula on the date of the signature of the ABM Treaty and that they would be prepared to consider the Kamchatka range a current test range within the meaning of Article IV of the ABM Treaty. The U.S. continued the exchange to establish that Kamchatka is an ABM test range, that Sary Shagan and Kamchatka are the only ABM test ranges in the USSR, and that Article N of the ABM Treaty requires agreement concerning the establishment of additional test ranges." (Congressional Record p. 4966)

The indeterminacy of the initial Soviet response raises the question of how far (and long) one party to an agreement can proceed with questionable activities before accountability is demanded. United States exclusion of Kamchatka from the list of ABM test ranges certainly facilitated Soviet evasiveness, particularly given the existence of an older ABM-type radar when the Treaty was signed.

Moreover, the United States found itself in the interesting position of having to prove to the Soviets that the Kamchatka impact area and the radars installed there were regulated by Article IV, in addition to having to further explain the permissible actions consistent with the provisions of the same Article.

4. Reporting of Soviet Dismantling of Excess ABM Test Launchers—

Article IV likewise restricts each side to 15 ABM launchers at test sites. The detailed procedures regulating the dismantling of test launchers beyond the agreed limit were developed in the Standing Consultative Commission and entered into force on July 3, 1972. In 1973, via the Commission, the Soviet Union served notice that excess launchers had been dismantled in compliance with the provisions set forth. Data collected subsequently by the United States, however, revealed that, contrary to Soviet assertions, several launchers were still in place. According to the State Department's findings:

"Even though the launchers were deactivated prior to entry into force of the procedures, and their reactivation would be of no strategic significance, the U.S. raised the matter as a case of inaccurate notification or reporting to make known our expectation that in the future, care would be taken to ensure that notification, as well as dismantling or destruction, was in strict accordance with the agreed procedures." (Congressional Record p. 4963)

Given the Soviet propensity to exploit loopholes to the outer limits of legal acceptability, this admonition has a somewhat hollow ring. Even though the alleged infraction was not considered strategically significant, the implications of even minor deviations are of greater interest for what they reveal about Soviet behavior than is the fact of temporary Soviet compliance. The inaccuracy of pre-

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liminary Soviet notifications inevitably calls into question the USSR's commitment to arms control measures which strengthen mutual confidence and promote "equal security."

CONCEALMENT ACTIVITIES AND POSSIBLE DELIBERATE INTERFERENCE

1. Covered Facilities and Concealment—

Several alleged infractions relate to attempted concealment measures at test ranges and construction sites, measures which, if not legal violations, at least technically complicate the verification process. The strategic significance of these issue merits extended consideration.

Article V of the Interim Agreement and Article XII of the ABM Treaty provide that each Party

". . . shall not interfere with the national technical means of verification of the other Party . . . nor . . . use deliberate concealment measures which impede verification by national technical means of compliance with the provisions . . . of the Agreement or the Treaty." (*D & E*, pp. 120, 123)

However, the two Articles also stipulate that the latter obligation ". . . shall not require changes in current construction, assembly, conversion, or overhaul practices" (emphasis added). The national technical means of verification cited refer primarily to reconnaissance satellites and electronic monitoring systems, which Article V (i) of the Interim Agreement stresses shall be employed "in a manner consistent with generally recognized principles of international law." The ambiguity of the phrasing is notable.

Although irregular Soviet concealment practices had been closely monitored by the United States "both before and after conclusion of the 1972 SALT agreements," the State Department observed that "during 1974, the extent of those concealment activities associated with strategic weapons programs increased substantially." (*CR*, S2554) of major concern in this regard was the charge that the Soviets had illegally placed canvas covers and planking over extensive sections of the prefabrication, assembly and refit facilities for ballistic missile submarines (in particular, the Delta-class) at the Severomorsk construction yard on the Kola Peninsula. Similar camouflage efforts reportedly took place at the Khabarovsk facilities in Siberia as well as at other strategic construction sites throughout the Soviet Union.

Concerning these allegations, the State Department findings sound more speculative than definitive:

"None of (the concealment activities) prevented U.S. verification of compliance with the provisions of the ABM Treaty or the Interim Agreement, but there was concern that they could impede verification in the future if the pattern of concealment measures were permitted to continue to expand.

"The U.S. stated this concern and discussed it with the Soviet side. In early 1975, careful analysis of intelligence information on activities in the Soviet Union led the United States to conclude that there no longer appeared to be an expanding pattern of concealment activities associated with strategic weapons programs. We continue to monitor Soviet activity in this area closely." (Congressional Record p. 4962)

Does the stated lack of an "expanding pattern of concealment activities" imply that some infractions are continuing in defiance of the provisions, or are themselves somehow consistent with "generally recognized principles of international law?"

Beyond the assumption that such activities contravene the spirit of the accords, their legality must be evaluated against treaty language which is susceptible to contrasting interpretations. In particular, that sentence in Article V(iii) of the Interim Agreement which qualifies the prohibition on deliberate concealment virtually invites circumvention.

Indeed, the Soviet Union has claimed that the covering of certain work areas in the SSBN yards is a standard construction and conversion practice which long predates the signing of SALT I and hence is perfectly legal. In other words, without directly violating the terms of SALT I, the Soviet Union has managed to render practically worthless its central provisions on verification. Rather than attempt to clarify the ambiguous treaty language with the appropriate legal wording, the United States was content to issue a Unilateral Statement on May 20, 1972, which emphasized

". . . the importance that the United States attaches to the provisions of Article V, including in particular their application to fitting out or berthing submarines." [16]

If the SALT process is to retain significance, then it is incumbent upon both Parties to ensure against those activities which degrade mutual confidence-building. Even if technical violations of given provisions have not been committed (or in any case could not be definitively proved), measures which feed perceptions of duplicity undermine the process and thus must be considered of equal significance.

2. Concealment at Test Ranges—

In early 1977, the United States observed a large net covering over an ICBM test launcher undergoing conversion at a test range in the Soviet Union. (The range in question is presumed to be Plesetsk, where the mobile SS–X–16 has been tested). The apparent concealment effort theoretically contravened not only Article V(iii) of the Interim Agreement and the Agreed Statement concerning launcher dimensions, but also was considered to be inconsistent with an Agreed Statement on test and training launchers, which holds that

". . . there shall be no significant increase in the number of ICBM and SLBM test and training launchers or in the number of such launchers for modern, land-based heavy ICBMs . . . Construction or conversion of ICBM launchers shall be undertaken only for purposes of testing and training." (Congressional Record p. 4963)

The United States accordingly raised this issue in connection with the ongoing SALT II negotiations dealing with the subject of deliberate concealment measures. The State Department report notes:

"In addition, we expressed our view that the use of a covering over an ICBM silo launcher concealed activities from national technical means of verification and could impede verification of compliance with provisions of the Interim Agreement, specifically, the provision which dealt with increases in dimensions of ICBM silo launchers as recorded in the Agreed Statement . . . The U.S. took the position that a covering which conceals activities at an ICBM silo from national technical means of verification could reduce the confidence and trust which are important to mutual efforts to establish and maintain strategic arms limitation.

"It has been the Soviet position that the provisions of the Interim Agreement were not applicable to the activity in question. Nevertheless, they subsequently removed the net covering." (Congressional Record p. 4963)

Assuming that the SS–X–16 mobile ICBM is involved, it must be emphasized that the Soviets have been less than forthcoming with regard to information about the production rate and/or deployment posture of the system. As such, any deliberate concealment activity complicates the process of determining whether a permissible replacement has been effected or an illegal expansion of the Soviet land-based missile force is being pursued. It is somewhat problematic to speak of mutually agreed limits, inasmuch as the Soviet Union has provided no hard data concerning its weapons inventories. The figures derive instead from U.S. intelligence estimates. At any rate, the burden of proof that only (legally) acceptable developments are concealed must be held to rest with the Party attempting the concealment.

It may be that Soviet compliance was ultimately induced less by American blandishments, and more by the simple fact of their having acquired the level of test information necessary for certain strategic purposes. Moreover, the language of Article V of the Interim Agreement equally obscures interpretations of permissible silo-launcher conversion practices.

3. Blinding of U.S. reconnaissance satellites—

In 1975, United States intelligence analysis suggested that the Soviet Union has possibly experimented with ground-based lasers to degrade infrared sensors on certain U.S. surveillance systems. Such an activity would obviously be inconsistent with the previously cited Articles XII of the ABM Treaty and V (iii) of the Interim Agreement, which rule against deliberate interference with national technical means of verification. The State Department report observes that

". . . it was determined that no questionable Soviet activity was involved and that our monitoring capabilities had not been affected by these events. The analysis indicated that the events had resulted from several large fires caused by breaks along natural gas pipelines in the USSR." (*CR*, S2556)

The explanation sounds less than convincing to military analysts. Infrared imagery from the Defense Meteorological Satellites was examined for the period when the alleged experimentation occurred and no natural sources for such strong radiations were found. Indeed, the energy levels detected were 10–1,000 times the intensity obtained from an ICBM launch or a natural occurrence such as fire.[17] What is of further interest is that the locations of these laser radiation sources in the western part of the USSR did not correspond to known Soviet test facilities.

Circumstantial indications of sustained Soviet development of a satellite-blinding capability would question the apparently facile conclusion contained in the State Department report. At any rate, even incremental evidence supporting the initial allegation would run counter to Soviet declarations concerning the need for enhanced mutual confidence to which reliable national technical means of verification contribute.

4. Development of an Anti-Satellite System—

Concerning informed speculation that the Soviet Union is developing a hunter-killer satellite capability aimed at American reconnaissance systems, the State Department report notes that such development is alleged to be

". . . a violation of the obligation not to interfere with national technical means of verification of compliance with SALT provisions. Since development of such systems is not prohibited, this program does not call into question Soviet compliance with existing agreements. The actual use of an ASAT system against U.S. national technical means is prohibited, but this has not occurred." (Congressional Record p. 4964)

That the Soviets are even presumed to be developing an anti-satellite capability should be sufficient cause for concern to American policymakers. When the Soviets first tested exploding killer satellites in the late 1960's, they used Soviet-manufactured target spacecraft, which could be modified to transmit telemetric signals regarding the extent of damage. These experiments prompted the United States to develop techniques for reducing satellite vulnerability to bombardment. Both countries have recently decided to enter into negotiation devoted to resolving the potential threat posed by ASAT ca-

Footnotes at end of article.

pabilities. Though violations of relevant treaty provisions have not technically been committed, the implications for effective U.S. monitoring of the more complex terms of follow-on SALT agreements are obvious.

CONCLUSION

In light of the foregoing analysis, several points suggest themselves as possible guidelines for assessing the issue of verification relative to SALT II.

(1) Under certain conditions, and given the absence of mutual trust between the superpowers, obscure treaty language can be counter-productive to expectations of reciprocal compliance. The Soviet Union has repeatedly demonstrated its willingness to exploit loopholes consistent with its perceived strategic interests. If the Soviets favor vaguely-worded treaty provisions or decline association with particular interpretations, there are probably clearly-defined, though unarticulated, political reasons for doing so. Soviet silence does not imply consent, and agreements for the sake of abstractions like détente are subordinate to calculations of the long-range political and strategic arms control.

(2) The series of American Unilateral Statements in SALT I constituted a tactic for impressing upon the Soviets the U.S. conception of behavior appropriate to the (also unilaterally-defined) spirit of SALT. Reliance on Unilateral Statements may lead to unsupportable allegations of non-compliance or will be less than legally useful to substantiate legitimate charges where evidence is available. Inasmuch as they lack the force of law and do not rest upon even tacit acquiescence by the Soviet Union, such statements may be inadvertently harmful by inducing American policymakers to assume that the Soviets will respect them.

(3) United States security interests demand that the terms of critical provisions relating to the development, testing and deployment of advanced weapons systems be spelled out with precision. Given the momentum of current Soviet weapons programs, little constrained by SALT I, failure to insist upon a careful stipulation of terms could lead to an agreement that is both technically indefensible and potentially dangerous. As the protracted violations debate demonstrates beyond reasonable doubt, SALT I was not a sound set of agreements from a strategic standpoint, whatever the momentary contribution to an improved political atmosphere.

(4) Related to (3) is the question of what might transpire in the absence of a subsequent arms control agreement. While the United States has delayed or terminated several major weapons programs, the pace of Soviet military developments has apparently continued unabated and indicates a potential to rapidly exploit a vacuum left by a breakdown in the arms control process. Indeed, the advantage in this regard which the Soviet Union could reasonably anticipate, given the advanced technologies being incorporated into new generations of weapons systems, would be highly destabilizing to the strategic nuclear balance. When the lead-time factor is taken into account, the conceivable margin of disparity may be even more pronounced.

(5) Certain complex issues destined for inclusion in SALT II, such as the production rate/deployment posture of the Backfire bomber, would be extremely difficult to verify under the best of circumstances. The record of Soviet attempts at concealment and possible interference with American reconnaissance systems suggests that enforcement of Soviet adherence to the prospective terms of a follow-on pact will undergo severe trials. Since the Soviets are resolutely opposed to on-site inspection, the United States must bend efforts to ensure against degradation of existing verification practices.

(6) A realistic evaluation of the verification issue must transcend legalistic wrangling over those Soviet activities which have been detected and cited as violations of the treaty. The possibility must likewise be considered that the Soviets have undertaken questionable activities of similar or greater magnitude in areas which escaped monitoring by the United States, yet which may be more detrimental to American security interests than the infractions detected. Despite the assumption by some analysts that, beyond a certain level of sufficiency, marginal additions of power cannot be decisive, the combined effects of clandestine Soviet developments may promote significantly adverse trends in the strategic balance, a situation which the arms control process (from the American perspective) is manifestly intended to preclude.

The State Department's findings contain several ambiguities concerning the disposition of certain alleged Soviet violations of SALT I, and thus raise questions about whether the issues have been definitively resolved. Furthermore, to assert that major violations of SALT II would be detected "in time" does little to enhance assurance in the United States' ability to monitor incremental infractions, and the cumulative effect these might have on the strategic balance. The supposed confidence-building function of the SALT negotiations, to which the U.S. ostensibly attaches such importance, would likewise be undermined. Above all, American policymakers must withstand the tendency to devote inordinate attention to legalisms and atmospherics, and consider more carefully the larger political and perceptual framework within which strategic arms control serves a specified purpose.

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FOOTNOTES

[1] Cited in *The Baltimore Sun*, February 25, 1978, p. 1.

[2] For further reference, see *Aviation Week and Space Technology*, March 6, 1978, pp. 18–19.

[3] See Colin S. Gray, "SALT I Aftermath: Have the Soviets Been Cheating?" *Air Force Magazine*, November 1975, pp. 28–33.

[4] All pertinent provisions of the SALT I Agreements cited in this paper, unless otherwise noted, appeared in Robert J. Pranger (ed.), *Detente and Defense: A Reader* (Washington, D.C.: American Enterprise Institute, 1976) p. 122. Hereinafter referred to as *D & D*, the appropriate page number will appear in parentheses immediately following the quotation.

[5] The State Department report was inserted into the *Congressional Record*, February 28, 1978, pp. 4966–4970. Hereinafter referred to as *CR*, the appropriate page number will appear in parentheses immediately following the quotation.

[6] "Military Implications of the Treaty on the Limitations of Anti-Ballistic Missile Systems and the Interim Agreement on Limitation of Strategic Offensive Arms," hearing before the Committee on Armed Services, 1972, page 544.

[7] Cited in Gray, *op. cit.*, p. 32.

[8] *Hearings*, 1972, p. 129.

[9] *Ibid*, p. 312.

[10] Gray, *op. cit.*, p. 33.

[11] Ibid., p. 32.

[12] See *Backgrounder* #57, "The Soviet Backfire Bomber: Capabilities and SALT Complications," (The Heritage Foundation, April 4, 1978).

[13] Noted in Melvin R. Laird, "Arms Control: The Russians are Cheating," *The Reader's Digest*, December 1977, p. 100.

[14] Gray, *op. cit.*, p. 30.

[15] *Ibid.*, p. 30.

[16] Cited in Gray, *op. cit.*, p. 32.

[17] *Aviation Week and Space Technology*, December 8, 1975, p. 12.

TAX CREDIT FOR THE ELDERLY SHOULD BE UPDATED

● Mr. CHURCH. Mr. President, I strongly support a reduction in Federal income tax to ease the burden for many beleaguered taxpayers.

The House of Representatives recently approved the Revenue Act of 1978, H.R. 13511, which provides several tax relief measures for individuals, including:

A rate reduction to target 69 percent of the tax cut to taxpayers with incomes between $15,000 and $50,000.

A conversion of the $750 personal exemption deduction and general tax credit to a $1,000 personal exemption.

An increase in the zero bracket amount—or commonly referred to as the minimum standard deduction—from $2,200 to $2,400 for single persons and from $3,200 to $3,400 for married couples filing jointly.

A once-in-a-lifetime election to exclude from taxable income the first $100,000 of gain from the sale of a personal residence.

These actions represent constructive steps to lighten the tax load for individuals, but further steps are needed. As chairman of the Senate Committee on Aging, I am especially concerned that additional relief be directed to older Americans.

One major area for improvement is the need to update the tax credit for the elderly. Persons 65 or older may now claim a 15-percent credit on up to $2,500 for individuals and $3,750 for elderly couples. These maximum amounts, though, are reduced by: First, social security and other tax-exempt Federal benefits and, second, $1 for each $2 of adjusted gross income above $7,500 for single persons and $10,000 for couples.

Senator INOUYE and I recently advanced legislation to update the tax credit for Government pensioners and others with little or no social security. Our proposal would:

Increase the maximum amounts for computing the credit from $2,500 to $3,000 for qualifying individuals and from $3,750 to $4,500 for couples; and

Raise the adjusted gross income phase-out provisions from $7,500 to $15,000 for individuals and from $10,000 to $17,500 for couples.

The Finance Committee recently adopted, in principle, this measure. I commend the Finance Committee for taking this action and urge the Senate to approve the proposal.

A few days ago, I submitted testimony to the Finance Committee concerning the need to modernize the tax credit for the elderly. That statement spells out in greater detail my reasons for supporting this action.

Mr. President, I ask that my testimony before the Senate Finance Committee be printed in the RECORD.

The testimony follows:

TESTIMONY BY THE HONORABLE FRANK CHURCH

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to submit testimony on the need to update the tax credit for the elderly.

This provision is designed to provide relief for moderate-income retirees with little or no Social Security, such as retired teachers, po-

licemen, firemen, or other government pensioners. Social Security benefits, as you know, are exempt from Federal income tax.

Under present law, taxpayers 65 years or older may claim a 15-percent credit on up to $2,500 for individuals and $3,750 for elderly couples. This produces a tax savings up to $375.00 ($2,500 X 15% = $375.00) for an individual and $562.50 ($3,750 X 15% = $562.50) for a couple.

The maximum amounts for computing the credit, however, are reduced (1) dollar-for-dollar by Social Security and other tax-exempt Federal benefits and (2) by $1 for each $2 of adjusted gross income above $7,500 for aged individuals and $10,000 for elderly couples. Thus, the credit is phased out completely for older individuals with income of $12,500 or more and aged couples with $17,500 or more.

The tax credit for the elderly has helped to ease the tax burden for older Americans. However, it still does not provide comparable relief for persons with limited or no Social Security. The maximum amounts for computing the credit fall far short of the maximum Social Security benefits—now $5,876.40 a year for individuals and $8,814.60 for qualifying couples.

Mr. Chairman, I realize that it may not be feasible at this time to place government pensioners on a par with Social Security beneficiaries in terms of tax relief because of cost considerations. But, other constructive actions can be taken to modernize the tax credit for the elderly.

This is why I have joined Senator Inouye in advancing legislation to raise the maximum amounts for computing the credit from $2,500 to $3,000 for single persons and from $3,750 to $4,500 for couples. This change alone could provide an additional $75 in tax relief for individuals and $112.50 for couples.

In addition, our proposal would raise the adjusted gross income phase-out provisions from $7,500 to $15,000 for individuals and from $10,000 to $17,500 for couples.

More than 1.4 million returns with an aged taxpayer would be benefited from these two proposed changes. Equally important, our legislation would provide tax savings for persons with the greatest need—lower and moderate-income individuals. In fact, our proposal would target 94 percent of the relief to aged taxpayers with annual incomes under $20,000 and 65 percent to elderly taxpayers with annual incomes under $15,000.

Rising prices have cut deeply into the pocketbooks of older Americans. Tax relief in the form of updating the credit for the elderly and other measures can help to provide welcome relief from the inflationary spiral which now affects so many senior citizens.

For these reasons, I urge the approval of these changes to the tax credit for the elderly.●

AID TO VIETNAM

● Mrs. ALLEN. Mr. President, I call to the attention of my colleagues the fact that on Tuesday, August 8, the World Bank approved a $60 million interest-free loan to Communist Vietnam for irrigation in the Mekong Delta. I am sure that the irony of making this loan done at the direction of Robert McNamara will not escape the attention of Members, especially those from Western States who have had difficulty in securing funding for their own water projects. I note, Mr. President, also that this loan is interest free with repayment due in 60 years. It is, in practical effect, a direct grant from the World Bank's International Development Association to which the United States contributes 30 percent of its capital from taxes collected from Americans, many of whom lost family members in the recently concluded war in Vietnam. Mr. President, I ask that an article in the August 9 Mobile Register, Ala., entitled "World Bank Aids Vietnam" be printed in the RECORD for study and reflection.

The article follows:

WORLD BANK AIDS VIETNAM

WASHINGTON.—Despite U.S. opposition, the World Bank approved on Tuesday a $60 million interest-free loan to communist Vietnam for an irrigation project.

The loan is the latest in what is becoming a steady flow of aid from international institutions to help Hanoi rebuild its economy following the long war against U.S. and South Vietnamese forces and its takeover of all of Vietnam in 1975.

The International Monetary Fund on Friday gave Vietnam an interest-free loan of $30 million from a special fund for poor nations, raising to nearly $115 million the total IMF aid in the past three years.

The United States provides about 20 percent of the financing of both the IMF and the World Bank. It cast the only vote against the $60 million loan when it came before the bank's 20-member board of directors Tuesday, a source said.

The government of South Vietnam did not receive any aid from either the World Bank or the IMF during the nearly 20 years it was a member. The Hanoi Government took over South Vietnam's membership in both institutions in 1976, although North Vietnam was not previously a member.

While the United States has refused to provide direct aid to Hanoi for reconstruction of the war-torn country, its support of the World Bank and the IMF mean it is providing assistance indirectly through those institutions.

The 132-member World Bank is headed by Robert S. McNamara, a former defense secretary to both Presidents John F. Kennedy and Lyndon B. Johnson. He played a central role in the decision to send U.S. troops to Vietnam as well as in the conduct of the war.

The World Bank said in an announcement that in addition to its $60 million loan, private sources will lend another $30 million for the rice development project. That includes $10 million each from the Netherlands, the Kuwaiti Fund for Arab Economic Development and the OPEC Special Fund, which is operated by the Organization of Petroleum Exporting Countries.

Since Vietnam's 50 million people are considered among the world's poorest, it is qualified for interest-free loans from the bank's subsidiary, the International Development Association. The terms cr repayment are 50 years with a 10-year grace period.

The United States currently provides the IDA about $500 million a year, about one-third of its annual budget.●

RETIREMENT, WORK, AND LIFELONG LEARNING

● Mr. CHURCH. Mr. President, the Senate Committee on Aging recently conducted 3 days of hearings on "Retirement, Work, and Lifelong Learning."

As I explained in my opening statement, this year's enactment of legislation which brings us closer to final abolition of mandatory retirement in this Nation has now caused longstanding issues to emerge with new clarity.

One of those issues is the longstanding complaint that this Nation has no retirement policy. We have a tangle of public and private retirement income plans, but we find that individual programs may be inadequate, conflicting, or compounding. We have reason to wonder, in some case, whether what we call retirement is really that. The typical example is the worker who claims maximum retirement benefits from one position at the time that person transfers to other full-time employment. Witnesses of our first round of hearings were also concerned about the rising cost of early retirement, at a time when more persons are living longer and a foreseeable shortage of younger workers is just a few decades away.

In its examination of work-related issues, the committee is concerned about such matters as: development and application of objective means of measuring job performance among middle-aged and older workers, retraining to avoid obsolescence of job skills, and such innovative employment arrangements as flexitime and part-time work or team effort for those older workers who wish to participate.

Closely related to retraining and recycling of workers is educational opportunity. But our hearings and studies will also look into new ways of allocating time for learning throughout the lifespan.

Mr. President, I ask that the following items be printed in the RECORD: The statement I gave at the opening of the hearings, an excellent article by Philip Shabecoff in the July 30 New York Times, an informative United Press International account of the same proceedings, and an article by Dr. Bernard I. Forman from the August 11 issue of the National Senior Citizens Law Center Washington Weekly.

The material follows:

OPENING STATEMENT BY SENATOR FRANK CHURCH, CHAIRMAN

Today the Senate Committee on Aging begins an examination of the many issues related to our three general themes:

Retirement,

Work,

and Lifelong Learning.

A subtitle to these hearings might well be: should the United States be dismayed or even fearful over a process so often described as the "graying" of our population?

My personal answer to that question is "no," as you might expect. It would be a sad day indeed for this Nation if the older persons among us were to be regarded as a drain, rather than a rich reservoir of experience, wisdom, and creative energy.

But my answer would also include a caveat—one which has caused these hearings to be called—a warning that we must look deeply into issues which have concerned the Senate Committee on Aging for some time, but which now take on new urgency.

Contributing to the urgency is the debate over Social Security financing and the deepening concern over the high cost of public and private pensions. Do we know what we are committing for future retirement income, and are we proceeding in the wisest way? It's become common to say that the United States has no retirement policy. Federal, State, and local governments establish pension or annuity plans as if each one existed in a vacuum. Some private plans are loosely related to public sector plans; others are not; and complexity and misunderstanding abound.

What is all this costing us? How much more can we afford? And who really benefits from the current scheme of things?

Is there already a "pension elite" who benefit from several sources of income support, while those most in need of a genuine supplement to Social Security income are those least likely to enjoy it?

And one of the most crucial questions: how is inflation compounding the cost of retirement as it is practiced today?

We have chosen a broad title for these opening hearings and all those which will follow. We want to examine retirement, work, and lifelong learning in some detail, and we want to show that each of these three broad subjects cannot stand alone, especially now.

We are concerned about retirement for many reasons, the most immediate of which is new legislation which deals a major blow at traditional mandatory retirement practices.

I'm referring, of course, to the raising of the upper age limit in the Age Discrimination in Employment Act from age 65 to 70. This victory won't change current habits and injustices overnight, but it is historically important because it helps to establish the principle of keeping work options available throughout the lifespan. It also will challenge employers—and employees—to work cooperatively to make the most of the new condition which will generally take effect next January.

Retirement is also on our minds because of a swelling tide of concern about the clear and persistent trend toward earlier retirement. Does this make sense in the face of:

Increased longevity;

Inflation's inroads on retirement income;

And the growing realization that this nation now needs, and will need even more in the future, the full use of the talents and knowledge of all those who wish to work for as long as they care to work?

But what good does it do to delay or even ban retirement if employment opportunities for the older persons are unsatisfactory or even nonexistent? We have put "work" in the title of our hearings because for some years now the Senate Committee on Aging has tried to alert the Nation to the fact that older workers are often called "retired" when in fact they can't get a job to replace one they've lost or one that has been swept aside by technological change. We've issued reports pointing out that so-called recovery for the general economy doesn't necessarily mean good times for workers in the 50s and 60s, who encounter a distinct lag in return to jobs, with insidious and far-reaching results:

Denied work and often discouraged to the point of not even seeking it, the older worker seizes upon the earliest possible sustained assistance: reduced Social Security benefits at age 62.

The Social Security trust fund then must pay out instead of receiving payroll taxes from those who want to work.

Our interest in work isn't limited to those past age 50. We also want to know what happens to persons whose job skills become outmoded at any age. And we will take special interest in experimental work arrangements, including flexitime, which could change fundamental thinking about the role and purpose of work during the lifespan.

And so we come to the third theme of these hearings, life-long learning.

The 1971 White House Conference on Aging called education a basic right for all age groups, "continuous and henceforth one of the ways of enabling older people to have a full and meaningful life, and as a means of helping them develop their potential as a resource for the betterment of society."

Now that the end of mandatory retirement is in sight, isn't educational opportunity in later years even more important, not only as a means of adapting to new work demands and making one's self a continuingly valuable employee, but also as a way of adjusting to new interests when work hours decrease or, at an agreed-upon date, end entirely?

Many of the issues which will come before this Committee at these and future hearings will be overshadowed by concern about Social Security financing. My own personal view is that the payroll tax is too high, too regressive, and in need of help from other sources. Important as this issue is, however, I hope that it will not dominate center stage. More important, it seems to me, are our goals for Social Security in terms of adequacy of benefits, the contributions it makes to our society as well as its costs, and its relationship to other programs providing retirement income.

This Committee is, of course, also concerned about problems facing the private pension system. Fortunately, the Senate Committee on Human Resources is preparing for hearings next month on amendments to the Employee Retirement Income Security Act of 1974, and we have been in close touch with Chairman Williams on matters of mutual concern.

We are also aware that there are no fewer than six Federally-authorized studies related to Social Security, retirement systems, and national retirement policy. We have made contact with representatives of each and will follow their progress closely. The same is true of the Federal Council on the Aging, national organizations on aging, and other agencies. Nelson Cruikshank, counselor to President Carter on Aging, has promised his personal attention to our hearings, studies, and findings.

In short, we are casting a wide net for information and ideas and perspective. Only in this way can we seek the most helpful answers in our search for what we want retirement, work, and lifelong learning to be in this country. We have been aided considerably by consultation from Harold Sheppard, whose recent book anticipates a growing crisis in this nation's retirement age policy. Herman Brotman, demographer and former assistant to the U.S. Commissioner on Aging, has once again contributed significantly to preparations for a hearing by this Committee. To them and to others who have helped, and who will help in the future, I give my heartfelt thanks.

And now, our first witness, Secretary Califano, who is quoted in the latest annual report by this Committee as saying at a recent speech: "We should remind ourselves that support for older Americans is support for all Americans. When Medicare pays an older citizen's hospital bill it protects that family's savings, to pay for college tuition, or a new house, or their own retirement.

"And 'the elderly,' we must remember, are ourselves—and our children. When we discuss the elderly in 2025, we are discussing the high school seniors of today."

That kind of perspective, Mr. Secretary, will guide us, I assure you, in these hearings.

[From the New York Times, July 30, 1978]

A FAST-AGING POPULATION

(By Philip Shabecoff)

WASHINGTON.—A quietly ticking social time bomb—America's rapidly aging population—is due to explode in 20 years or so with potentially revolutionary impact on the nation's economy.

So far, except for a few Band-aids applied to the Social Security and private pension systems, little has been done, or even discussed, to prepare the country for that particular future shock.

At hearings before the Senate Special Committee on Aging earlier this month, Stanley M. Babson, Jr., a financial consultant, summed up the problem: "The present retirement practices and trends of our society, coupled with the increasing longevity of our population, will create an enormous economic future burden on our society." Said the chairman of the committee, Senator Frank Church, Democrat of Idaho: "The United States has no retirement policy."

Moreover, the problems created by an inexorable demographic trend toward an older—considerably older—population are being exacerbated by slower economic growth, inflation and social changes such as early retirement and soaring demand for medical care.

The nation, in the view of those who have considered the impact of these trends, will have to come to grips not only with the economic needs of this older population but also with the changes wrought on the economy in general from a shortage of younger workers, increased demands on health resources and other social service changes in the structure of tax revenues and shifting demands on the market place.

The Secretary of Health, Education and Welfare, Joseph A. Califano Jr., outlined during the hearings some of the key factors in the population shift, including these trends:

The average life expectancy, about 62.5 years in 1940, has risen by about 10 years and now stands at about 69 for men and 77 for women. The population aged 80 and above is widening rapidly and biomedical advances indicate that the life span will continue to lengthen.

The post-World War II baby boom will appear early next century as a "senior boom," Mr. Califano noted. By the year 2030, some 55 million people, nearly one-fifth of the population, will be 65 years old or older.

While people are living longer, they are also retiring at an early age, a fact that Mr. Califano found "ironical." Thirty years ago nearly half of all men 65 and over were in the workforce; today, in that age group, only one man in five and one woman in 12 hold jobs or are actively seeking work. There is no sign that this trend will abate.

The ratio of active workers to retired citizens will change "dramatically" from six to one today to only three to one in 2030. This figure is significant because it indicates how many income earners are available to support programs for the elderly through taxes.

Meanwhile, social and economic policies involving the elderly have been changing. Workers are permitted to retire at 62 instead of 65 and collect reduced Social Security. Social Security payments have risen sharply and are pegged to living costs. Private pension plans have expanded rapidly, though many of them are underfunded. Programs such as Medicare and Medicaid, food stamps and housing subsidies have been created to cushion older citizens against poverty.

But Secretary of Labor Ray Marshall, in testimony before the Senate committee, said that while these programs have substantially reduced poverty among older citizens, many Americans still have difficulty living on their retirement incomes. And he added that the demographic trends mean that considerable strain will be placed on the economy just to continue current retirement income levels, much less improve them, particularly in the face of erosion of income by inflation.

Although Congress strengthened the financing of Social Security System last year, current actuarial projections indicate that the Social Security tax rate will have to be increased another 4 percentage points by the year 2035 just to maintain the system's solvency at existing benefit levels, Mr. Marshall warned.

Where will the money come from? Mr. Califano reported that six major programs for the elderly run by his agency—old age insurance, survivors and disability insurance, Medicare and Medicaid, Supplemental Security Income and Black Lung Benefits—will pay out more than $94 billion to Americans over 65 this year.

Another $14 billion will be paid to this group under civil service, railroad and mili-

tary retirement programs. A total of $4 billion will go to the over-65 population through housing subsidies, food stamps, social and employment services—all adding up to $112 billion or 5 percent of the gross national product and 24 percent of the Federal budget for the 1978 fiscal year.

By the year 2010, spending on these programs is expected to more than triple to $350 billion, Mr. Califano said.

By 2025, when the "senior boom" is in full swing, the total will be around $635 billion and constitute more than 10 percent of the gross national product and 40 percent of the Federal budget.

These problems impact directly on the public sector economy and will be felt by the private sector chiefly through the tax system. But the population trends will also have a direct effect on the private economy in many ways.

The shortage of younger workers, for example. Secretary Marshall commented that employers will find themselves competing for the services of workers, including older workers, and in so doing, possibly bidding up wage rates. One approach to this problem was suggested by the recent Congressional action in raising the minimum age at which employers can require workers to retire from 65 to 70 years.

The demographic and social trends are also likely to work profound changes in the marketplace. Today a large part of the economy is oriented toward a youth market. An aging population will have broad implications for such industries as apparel, entertainment, recreation and travel. Older citizens will put far heavier demands on the health care industry than they do today. The home building industry will have to face up to fewer new households being started. The list is endless.

Secretaries Marshall and Califano along with other witnesses had ideas for dealing with the impending changes. Nearly all the witnesses said that ways should be found to delay retirement and extend working life as a means of easing the strain on the Social Security, pension and social welfare systems as well as on the labor market.

Mr. Marshall and others, for example, proposed consideration of flexible working arrangements that would let older citizens work part time or on schedules that suited their needs. Education and training to make older workers valuable to employers was also recommended.

Mr. Califano wondered whether private pensions should be encouraged or whether it might not be more equitable if the Social Security System did not have a "layer" of private pensions on top of it.

Because the crisis lies in the future, the economic problems presented by an aging population may seem somewhat abstract to many Americans. But as Secretary Califano noted, "The elderly are ourselves and our children."

The aging of the baby boom

	Average life expectancy in years	Ratio of total population to those 65 and older	Average monthly social security payment
1940	62.9	14.7	$22.10
1945	----	----	23.50
1950	68.2	12.3	42.20
1955	69.6	----	59.10
1960	67.9	10.8	69.90
1965	70.2	----	80.10
1970	70.9	10.2	114.20
1975	72.5	----	201.60
June 1978	72.8	9.2	254.00

NOTE: Not all data available for all years.

SOURCES: Social Security Administration and Census Bureau.

[From the Idaho Statesman, July 24, 1978]

LONGEVITY IMPERILS EARLY RETIREMENT

WASHINGTON.—The nation may not be able to afford the current trend toward early retirement, especially when the post-World War II baby boom becomes the senior citizens boom, two top administration officials and other experts say.

Witnesses at recent hearings of the Senate Special Committee on Aging, including two Cabinet members, put forward challenges to early retirement with its increased Social Security costs and loss of skilled workers.

Thirty years ago, according to the testimony, nearly half of all men 65 and over were employed or seeking jobs. Today, among people 65 and over, only one man in five and one woman in 12 are in the work force.

One clear reason for the trend is more and more Americans are able financially to retire early.

Social Security benefits have been expanded, with full pensions paid at age 65, and some retiring at 62 with reduced benefits.

Nearly half of all workers in the private economy are covered by pension plans, many with retirement at ages 60, 55 and 50.

Federal civil servants and employees of many state and local governments can retire at age 55 after 30 years, and the number of these public employees has soared. Military personnel can retire after 20 years of service, regardless of age.

Secretary of Health, Education and Welfare Joseph Califano told the committee while Americans are retiring earlier, other changes are taking place that may require the nation to reconsider its whole policy toward work and retirement.

People are living longer. In 1940, the average life expectancy at birth was 63.5 years, lower than the age for full Social Security retirement benefits.

Now, Califano said, life expectancy is 69 for men, 77 for women. Three-quarters of the population now reaches age 65 and, once there, live on the average to age 81.

"We are at the dawn of the first four-generational society in the history of our nation," Califano said.

The baby boom following World War II, Califano noted, will become a "senior boom" in the early 21st century. In 1940, 7 percent of the population was 65 or over; today it is 11 percent; by 2030 it will be nearly 20 percent.

Today six active workers support one in retirement. By 2030, the ratio is expected to be 3-to-1.

Califano testified that under present trends, the federal government will have to spend $635 billion by 2025—up from $112 billion this year—for Social Security, other pensions, Medicare, welfare, food stamps and various other services.

This would be a growth from 24 percent to 40 percent of total federal outlays.

"There are reasons to wonder aloud whether the trend toward ever-earlier retirement is a trend in the right direction," Califano said.

Dr. Harold Sheppard, director of the Center on Work and Aging of the American Institutes for Research, said the coming senior boom will include a large increase in the number of Americans over 80—by 2000, there will be 8 million of them, 1.7 million more than had been projected as late as 1971.

Sheppard asked how the increasing proportion of Americans in their early 60s in the next century are going to support these octogenarians if they themselves are retired.

Labor Secretary Ray Marshall said it may become increasingly difficult to insure older Americans a comfortable retirement by relying primarily on "transfer payments"—shifting money through Social Security, welfare and other programs.

He said it will be necessary to expand employment opportunities for the elderly.

Congress took one step in that direction last April when it raised from 65 to 70 the age at which a private employer can require a person to retire solely because of age, and removed the upper age limit of 70 for most federal workers.

[From the NSCLC Washington Weekly, Aug. 11, 1978]

SOME NEW APPROACHES TO THE PROBLEMS OF THE ELDERLY

A new set of hearings by the Senate Special Committee on Aging, along with other recent developments, are clear evidence that the problems of the growing community of older Americans cannot be "swept under the rug." The Senate hearings on "Retirement, Work and Lifelong Learning," held on July 17, 18 and 19 were clear evidence of the continuing commitment of the U.S. Congress to an unremitting attack on the wide array of issues confronting the elderly. A hearing on poverty among the elderly conducted by the House Select Committee on Aging on August 9, showed that Rep. Pepper's committee is equally cognizant of the need for more effective action.

Statements by Sen. Frank Church (Chairman, D-Idaho) and Sen. Pete Domenici (D-N. Mex.) set the tone for the comprehensive Senate examination of what has been done and still remains to be done to ameliorate the plight of the elderly in this country. Reports by Secretary of HEW Califano and "aging" researcher Harold Sheppard highlighted the first session. Secretary Califano, particularly stressed the close interrelationships between present federal programs and pressures on the Social Security system, the welfare program, and other services, including Medicare and Medicaid. Dr. Sheppard supplied facts and figures to point out the inadequacy of current efforts in the face of runaway inflation. Both admitted that there were "more questions than answers" that still had to be resolved.

At the second hearing on July 18, Secretary of Labor, Ray Marshall, discussed current trends in work and retirement and pointed out both the failings in present pension plan provisions and the adverse consequences of encouraging early retirement. Statistics furnished by one witness, Consultant Ewan Clague, showed the erosive effect of inflation on retirement incomes and upheld the need for a closer look at the unanticipated economic repercussions of both voluntary and involuntary early retirement. The general tenor of the hearings suggested that legislators were having second thoughts about the wisdom of promoting early retirement, as too costly for the economy. They seemed also to be eager to look more seriously at viable alternatives for reducing unemployment.

Roundtable hearings are scheduled for early September, when representatives of national aging groups will be invited to testify before the next steps are taken. NSCLC and the Gray Panthers, among others, have been invited to appear before the Committee to present their views.—Dr. Bernard I. Forman.●

10TH ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

● Mr. PELL. Mr. President, Monday, August 21 will be the 10th anniversary of the brutal Soviet invasion of Czechoslovakia, the small homeland of freedom loving Czechs and Slovaks. Ever since, August 21 has become known as the Soviet Day of Shame—and rightfully so.

In the spring and summer of 1968, the Czech and Slovak peoples, acting in accordance with the U.N. Charter's principle of "the sovereign equality" of all U.N. members, tried to humanize the

Communist system under which they had lived for 20 years. This was a purely internal matter which threatened no other nation; yet the Soviet Union, apparently believing that some sovereign U.N. members are more equal than others, violated article 2(4) of the U.N. Charter which states that—

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

I have long had an interest in and personal acquaintance with Czechoslovakia. It seems only a short time ago when, as a young Foreign Service officer, I opened the American Consulate in Bratislava shortly before the Communist putsch of February 25, 1948. Through the years since then, I have sought to visit Czechoslovakia as often as I could and to stay in touch with conditions in that country. I was there just prior to and just following the Soviet invasion of 1968. I observed at the time that the fact that the Soviet Union did not have to use force directly to make Czechoslovakia a Communist country but had to employ a major military force to keep it Communist says something dramatic about the appeal of communism after two decades of exposure to it.

Mr. President on August 1, 1975, the 35 participants in the Conference on Security and Cooperation in Europe signed a final act in Helsinki relating to security in Europe, and economic and humanitarian cooperation. I was encouraged at the time by the fact that among the principles to which the participants, including the Soviet Union, subscribed, was one which stated that "no consideration may be invoked to serve to warrant resort to the threat or use of force" against the territorial integrity or political independence of any state. My colleagues may recall that in 1968, the Soviets justified their invasion in the name of "proletarian internationalism"—also known as the Brezhnev doctrine.

The fact remains, however, that some 50,000 to 70,000 Soviet forces remain in Czechoslovakia with the principal mission of insuring that no more Prague springs occur. Until the Soviet occupation of Czechoslovakia ends, there is no realistic prospect for the Czechs and Slovaks to exercise their sovereign rights as set forth in the U.N. Charter and reiterated in the Helsinki Final Act.

It is noteworthy to add, however, that the indignation aroused in Czechoslovakia as a result of the Soviet invasion has given birth to a courageous band of patriots demanding the observance by the Soviet and Czechoslovakia Governments of the Helsinki Final Act. In a daring publication entitled, "Charter 77," this group detailed the many violations of the Helsinki Final Act. New adherents are being added every week—and not only intellectuals but farmers and workers as well. As with the signers of our own Declaration of Independence, the signers of Charter 77 are demanding only that the rights of man be respected. Yet their cries for freedom have been answered only by more persecution.

The appeals of this group have a special meaning to me, not only because of my previous experience of having lived in Czechoslovakia, but also because I serve as cochairman of the Commission on Security and Cooperation in Europe, a body created by Congress in 1976 to monitor the Helsinki Final Act. I and other members of the Commission have called for full observance by all parties to this important international agreement and have been engaged in telling the story of what has happened in the Soviet Union and Eastern Europe since Helsinki. In this connection, I believe strongly that the United States must not forget what happened to Czechoslovakia in 1968 nor allow the Soviet Union to forget that its invasion of Czechoslovakia contravenes both the U.N. Charter and the Helsinki Final Act. For, only as long as it is clear that the invasion will not be forgotten, will there be a chance that Soviet aggression in Eastern Europe will one day be a thing of the past.●

NATION'S CREDIT UNIONS ENDORSE S. 3156, THE FAIR FUND TRANSFER ACT

● Mr. RIEGLE. Mr. President, I am very pleased to report that the Credit Union National Association, the trade association representing over 20,000 State and Federal credit unions, has formally endorsed S. 3156, the Fair Fund Transfer Act. This legislation would establish a framework of consumer rights and safeguards in electronic fund transfer (EFT) services.

It is not often that financial institutions formally endorse Federal consumer protection legislation. CUNA's endorsement is an indication of just how carefully balanced and reasonably drafted S. 3156 is.

As CUNA points out, today's consumer protection laws were not drafted with the new phenomenon of electronic banking in mind. Consequently, consumers who utilize 24-hour tellers, pay-by-phone systems, or direct deposit of social security benefits or wages have no protection if, through an error or theft, their bank accounts are suddenly emptied. S. 3156 fills this void and provides important safeguards similar to those enacted by Congress for credit cards.

CUNA's endorsement is another indication of the Banking Committee's success in drafting legislation which provides fundamental consumer protections while also permitting the continued development of FFT systems and services.

Mr. President, I ask that the text of CUNA's endorsement of the Fair Fund Transfer Act be printed in the RECORD.

The material follows:

CREDIT UNION NATIONAL ASSOCIATION, INC.,
Washington, D.C., August 16, 1978.

Hon. DONALD W. RIEGLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIEGLE: On behalf of the Credit Union National Association, Inc., I am pleased to forward to you a resolution adopted by our Executive Committee on August 9, 1978, endorsing the EFT consumer protection bill which you have sponsored and which is now pending action on the floor of the Senate.

CUNA recognizes that there are substantial consumer benefits in the future as EFT services are refined and expanded upon but that consumer confidence in these new services hinges on adequate legal protections for the consumer comparable to consumer rights with respect to existing payment systems. We hope that Congress will complete action on this legislation this year so that EFT systems can develop with some certainty and common understanding of the legal framework and standards of operation which will be beneficial to both consumers and the providers of EFT services.

Sincerely,

DAVID S. WRIGHT,
Chairman of the Board.

CREDIT UNION NATIONAL ASSOCIATION, INC.,
Washington, D.C.

CUNA strongly endorses the Riegel and Annunzio bills regarding EFT consumer protections. CUNA also endorses those general principles contained in the Electronic Money Council Consumer Bill of Rights as minimum standards (other than reversibility), but also encourages legislative guarantees of higher standards of consumer protection as contained in these two bills.●

CARTER'S DECLINING POPULARITY

● Mr. HAYAKAWA. Mr. President, hardly a day goes by without some reports about President Carter's declining popularity. It now even seems that a great number of citizens who voted for him in 1976 believe that he should not run again in 1980. This development is of primary concern to the Democratic Party. It would be short-sighted, however, to overlook the detrimental aspects for the country as a whole, especially as far as the position of the United States in the world is concerned. Looking at the domestic scene, Americans might console themselves that 1980 is not far away and that, if Carter's performance continues to be unsatisfactory, a new President will take his place.

It seems to me, however, that the consequences abroad will be more difficult to correct. My distinguished colleague, the senior Senator from Arizona, recently mentioned, "dwindling respect for the United States" abroad—CONGRESSIONAL RECORD of August 9. The close connection of this decline with the perceived lack of leadership in the White House is self-evident. The resulting dissatisfaction among our allies naturally has been welcome news in the Kremlin, which is trying to exploit the situation to its own advantage. Brezhnev's recent visit to Bonn ought to be seen in this light.

A number of press reports following his meeting with Chancellor Schmidt mentioned not only Soviet efforts to loosen American-German ties, but also a German ambivalent—while interested—reaction.

The respected German weekly Die Zeit, for instance, suggested, on May 26, that "the thread to Moscow must not be permitted to break;" and Die Neue Zuericher Zeitung of July 23, wondered whether Bonn had decided to chart a separate course. Rowland Evans and Robert Novak, Washington Post of August 11, also referred to this eventuality when, evoking memories of Rapallo, they

mentioned Egon Bahr's recent conversations in the Kremlin.

Mr. President, as I see it, any talk about a possible break in the Western alliance belongs—for the time being at least—in the realm of fantasy. On the other hand, it would be a serious omission on our part not to focus on the widespread malaise among our friends abroad and to disregard their justified concern about the absence of a strong leader. I believe it behooves the Senate to keep this situation in mind when deliberating related issues of international concern. For this reason, I ask, Mr. President that the Evans and Novak article "Germany's Left Looks to Moscow" be printed in the RECORD.

The material follows:

GERMANY'S LEFT LOOKS TO MOSCOW

President Carter's uncertain foreign policy is unwittingly contributing to stepped-up contacts between the Soviet Union and left-wing leaders of West Germany's ruling Social Democratic Party (SPD), who have long opposed Chancellor Helmut Schmidt's devotion to Washington and the North Atlantic alliance, NATO.

Playing the prime role in these very private contacts is Egon Bahr, secretary general of the SPD. Bahr had extensive talks with Soviet President Leonid Brezhnev shortly before Brezhnev's highly successful visit to Bonn in May. He renewed his Moscow talks in July—not as an emissary of Schmidt, but as agent of the SPD's activist left wing and the party chairman, former chancellor Willy Brandt.

Here is the specter of what has always made the Western alliance tremble: a menacing new version of the 1922 Rapallo Soviet-German treaty. Another Rapallo is certainly no possibility in the near future. Indeed, it is unthinkable in Helmut Schmidt's Germany.

Nevertheless, what is clearly at issue in the Brezhnev-Bahr talks is chilling, even though no immediate threat: West Germany leaving NATO with Soviet guarantees against aggression and with the ultimate prospect of German reunification.

Bahr, a fanatical German nationalist, leads SPD's far-left faction, which believes the key to Germany's future reunification is held in Moscow, not Washington. To Bahr and his allies, common political ground will eventually be found between Soviet communism and European socialism.

Political sources in Europe, both West and East, provide the following outline of Bahr's Soviet contacts in Moscow and Bonn, together with collateral talks between other leaders of the SPD's left wing and Eastern European Communist officials.

Bahr attacks the Carter foreign policy, particularly the administration's intention "to play the China card." According to one qualified informant, Bahr agreed with Moscow that the Soviet Union "would not accept this" and would retaliate "in Africa, in the Middle East, in Asia and Western Europe," possibly with a "Berlin crisis." Bahr contends West Germany might not survive a new Berlin crisis.

The impact of Carter's human-rights policy on the Soviet Union threatens Soviet reaction that could put pressure on West Germany.

Given those alleged dangers to West Germany, Bahr has asked the Soviets what sort of "guarantees they could offer "in case of a crisis" between the superpowers.

To facilitate such a cataclysmic shift in West German policy, a major propaganda operation has been discussed withthis purpose: to dramatize perceived dangers of U.S. policy and Carter's "inexperience in foreign policy." It would start by denying the United States "unlimited power" to dictate Western policy to West Germany on strategic arms limitation, Communist China, the Third World and Europe itself.

Bahr and the SPD left wing have exploited Carter's stunning decision not to produce neutron weapons by constantly reminding Schmidt how erratic U.S. policy is today. Schmidt had privately informed Carter he wanted the neutron warhead (widely opposed inside the SPD) and was left holding the bag when the president ruled against it.

Although Bahr greatly influences the SPD's left wing (about one-third of the party), he lacks power within Schmidt's coalition government. Still, Bahr's wide-ranging explorations pointing toward a possible second Rapallo build rising pressure on Schmidt.

Widely noticed in the Carter administration is Schmidt's heavy emphasis on East-West détente since Brezhnev's Bonn visit. The chancellor also rejected an appeal from French President Valery Giscard d'Estaing for French-German "coordination" in blocking Soviet adventures in Africa.

Schmidt is becoming trapped in the continuing uncertainty of Carter's Washington: He boldly opposes his left wing on neutron weapons, and the president pulls the rug out; he yields to his left wing on Africa, and a common Western European policy is sacrificed.

"U.S. leadership is not a realistic factor in the great struggle with the Soviets today," one European expert on German politics told us. "There is all too obvious a lack of declared will." That lack of will, and the inconsistency that results from it, is what gives Egon Bahr and his supporters their license to hunt in Moscow for a radical change in West German policy at awesome risk to the West.●

BALLOONISTS COMPLETE MAINE TO PARIS FLIGHT

● Mr. MUSKIE. Mr. President, three American balloonists made aviation history today by completing the first trans-Atlantic crossing by balloon. I want to compliment these brave men for their daring, their skill and their achievement.

I think the exploit of Maxie Anderson, Larry Newman, and Ben Abruzzo demonstrates that Americans can do the things they put their mind to, with hard work, courage and persistence.

The State of Maine played only a small part in their exploit—the three took off from Merle Sprague's farm in Presque Isle, Maine, last Friday. But the excitement Maine feels, and our pride in our modest contribution, are surpassed by no one.

We in Maine wished them well when they departed. We offer them our warmest congratulations on their success.

Mr. President, I might note that the "Double Eagle II" took off from a spot near Loring Air Force Base in Maine. I think our friends from Albuquerque helped us demonstrate why the Strategic Air Command built the base, and why SAC should keep it operating at full strength.●

A SMASHING SUCCESS

● Mr. CHAFEE. Mr. President, three highly instructive short articles have appeared in issues of Better Roads magazine over the past year. In one a county engineer in Michigan describes the 10-year cooperative efforts undertaken by the county, the road commission, and local governments to redress a serious bridge problem. The joint program used county, township, State, and Federal funds to replace bridges both on and off the Federal aid systems.

A second article tells of the successful bridge program in a small Kansas county. The third prescribes creative engineering techniques to solve bridge problems. The articles are instructive because Congress is currently beset by State and local officials asking for massive Federal assistance to correct dangerous and obsolete bridges. There is no doubt that a grave situation exists and that a major effort is needed to address the most pressing problems.

Before approving a vastly larger special Federal bridge program, however, I would like my colleagues to examine what can be accomplished using existing Federal assistance, when local ingenuity and determination are added.

I ask that these three articles be printed in the RECORD.

The articles follow:

LOCAL BRIDGE CRISIS CAN BE SOLVED THROUGH CREATIVE ENGINEERING: ELLIOTT

When a bridge in your area is badly deficient, don't look to "governmental pots of gold" for a solution—use any means available to "repair, prop, or strengthen" that safety hazard right away.

This pragmatic spirit should dominate the thinking of today's highway official responsible for bridges on low volume roads, according to Arthur Elliott, veteran bridge engineer. He told some 350 fellow bridge engineers attending a Portland, Oregon, seminar last month that, "We have to protect the public; we are responsible for the safety of their bridges."

It is estimated that there are more than 65,000 deficient bridges on county, township, and other off-federal-aid-system roads nationwide.

Occasion for Elliott's comments was the 4th Annual Northwest Bridge Engineers Seminar, sponsored jointly by the highway departments of Oregon, Washington, Idaho, Alaska, and the Federal Highway Administration. Elliott, now a bridge consultant, spent 40 years with the California Division of Highways bridge department.

He said that once deficient bridges in an area have been identified, "Each repair project must be a unique exercise in value engineering." Although he recommended using contractors when the money is available, Elliott observed that low-cost repairs can at times be performed by department maintenance crews.

Several examples of techniques employed by engineers in the past were cited by Elliott:

"One engineer bought some old flat car frames from the railroad, mounted them on concrete piers built by his maintenance crew, and then topped them with a concrete deck. He ended with a very serviceable bridge several hundred feet long."

"Government surplus property has also found its way into many bridges. Old beams, bars used for reinforcing, landing mats used for railing, and riprap for banks."

Timber bridges also lend themselves to innovative repair, Elliott said. Some techniques include:

"Stubbing the piles or shaving away the rotten wood and encasing them in concrete jackets; bolting half-caps on each side of caps with rotted wood top surfaces to provide solid bearing for the stringers; and, building a new abutment in front of a rotten one."

Other timber bridge repair techniques include:

"Digging down just back of the bridge and inserting a new bulkhead timber to prevent the dirt from spilling onto the end cap; turning the stringers so as to get a good nailing surface and deck support and adding a few stringers to make up for reduced capacity, sliding in a few new stringers to replace cracked or broken ones; renailing the timber deck with twisted nails for a better grip; and replacing the timber deck with a concrete slab."

In conclusion, Elliott urged engineers to "Keep on top of your bridges—or better yet, spend more time underneath them. Know their condition. Know their weaknesses. Use your ingenuity.

"With a little luck and a lot of persistence, one of these days we'll have solved our dilapidated bridge problem."

COUNTY'S 'SOLO' DRIVE TO REPLACE BAD BRIDGES

The year was 1973, and Harvey County had a real problem. An inspection revealed that 82 of its 199 of the federal-aid system bridges were structurally deficient. But, the $5.75 million price tag for building new ones was well beyond the county's financial means.

"Replacement was a necessity though," county engineer Mike Zobkiw recalls, "because the law requires that deficient bridges either be closed or replaced, and wholesale bridge closings would have disrupted the entire county." The county board and Zobkiw determined that a general obligation bond issue was the only solution, and put the question on the ballot for an Aug. 6, 1974, general election.

Similar bond issues had failed in the past, so an intensive citizen information campaign began. Pamphlets describing the situation were distributed countywide, slide presentations were made to local service organizations, and six public hearings were held.

"Light turnouts for public meetings had officials worried that the bond proposals would be defeated," Zobkiw said, but on election day the issue carried by a simple majority of 337 votes. In November of that year, $2.2 million in bonds were sold, and a second issue of $2.5 million was sold in 1976, for a total of $4.7 million.

Construction of the new bridges is now nearly complete, and the total program has come in about $1.4 to $1.5 million below the $5.75 million estimate. Zobkiw said this resulted for five reasons: "The slowdown in the rate of construction inflation; well-prepared, standardized plans; revised bidding procedures; competitive bidding by contractors; and, our road and bridge crews doing as much work as possible."

Elaborating on this, Zobkiw, for example, noted that in order to have some work done throughout each geographic area of the county each year, the replacement schedule called for certain bridges in all parts of the county to be replaced in each of the three years work was going on. Each year's work was broken down into phases which consolidated similar structures in the same area in a letting, and this qualification proved beneficial in obtaining low bid prices. In all, nine bid lettings were held between March, 1975, and December, 1976.

Having county crews do as much work as they could saved some $375,000, Zobkiw estimates. "At the beginning of the program," he said, "they removed all structures, excavated sites for box bridges, and did all the grading work and box sites." By the final letting however, contracting was done for all work except, "construction engineering, material testing, fence removal and replacement, seeding, surfacing, and guardrail erection," Zobkiw said.

Of the 82 structures built, 35 are large, multi-span boxes and 47 are span bridges with lengths varying between 86 ft and 290 ft end to end of wearing surface. Most span bridges fall in the 150 to 160 ft range. Actual structure costs per sq ft of available roadway ran about $16.01 on boxes and $16.76 on bridges.

Reflecting on the county's success, Zobkiw said, "Quite often, it seems, government agencies initiate projects, obtain funding, and then find themselves spending tremendous amounts of dollars over publicized estimates to complete the project. We are awfully proud that we are bringing this program in 25% below estimated costs."

SCHOFIELD: KENT COUNTY BRIDGE PROGRAM . . . A SMASHING SUCCESS

Your May 1978 issue on Bridges was very interesting and timely, however, it points out only part of the problem.

In Kent County, Michigan, we surveyed our bridge problem on local roads in 1966, prior to the 1967 Silver Bridge collapse. To our dismay we found 73 percent of these bridges to be inadequate (51 inadequate of a total of 73). Our estimated replacement cost was $1,799,000. School buses were exceeding the load limit and crossing 47 unsafe bridges each day.

For 1172 miles of local roads we received from the state gas and weight tax (in 1966) $632,522.16 to cover our maintenance, snow removal and construction. Our maintenance and snow removal cost alone in 1966 was $824,244.05. Also the state statute states that this is the "total responsibility of the state for local county road support and that additional funds required for the support of any county local road system be supplied from other moneys returned to the township governments—or counties—."

Therefore, we went to the Townships and County with our problem and reached a solution whereby the Townships (21 unincorporated in Kent Co.) and the County (general tax) each paid 25 percent of the cost and the Road Commission paid 50 percent of the cost.

The bridge replacement program was cut to 45 bridges by eliminating some, where the traffic could be rerouted with little inconvenience. This was spread over a period of 10 years and this year, with the placement of 3 structures, will bring the program to a successful end.

At the same time we, with our regular state highway funds, kept up a program for replacing bridges on our primary road system. We also incorporated F.A.S. Funds on eligible bridges and saved these funds for several years to accumulate enough to meet 50 percent of the cost.

We have once again approached the Townships and the County for another 10 year program to take care of 16 bridges on our primary system, 8 culverts (under 20 ft span) and 39 culverts on our local road system. Because of the first 10 year local bridge program being a smashing success the 2nd program was much better to sell to these local officials.

However, it is difficult to state that we are not eligible for federal or state critical bridge funds, because we acted on "our" problem.

The State statute says local roads are only very limited to be a state responsibility, therefore, how can this be a Federal responsibility?

The Federal Government just recently cut back on the F.A.S. system stating it was just too large a system to ever conceive completion. Therefore, why now expand and use these critical bridge funds on any road?

In addition, these critical bridge funds on both the state and federal level came from the gas and weight tax that would normally be split by all users. This takes a portion that would normally come to us in F.A.S. funds to give to some other area that did not keep up on their responsibility. Many counties are also in this situation.

I suggest we eliminate these "special" funds and distribute one general fund. If bridges are a problem in a certain county then congress may set the priority by requiring the expenditure in that area. If the counties can demonstrate that the bridges are adequate, then they should be allowed to use the funds in other areas. We are now starting to replace structurally deficient culverts (under 20 ft span) and, for safety, bridges that are narrow and we are not eligible for the special critical bridge program.

Maybe we should wait and have an emergency to possibly get "special" aid.●

MRS. JACQUELINE L. LEVINE

● Mr. WILLIAMS. Mr. President, I would like to take a moment to acknowledge the achievements of one of my constituents, Mrs. Jacqueline L. Levine of West Orange, N.J.

Because of her extraordinary leadership and contributions to the cause of justice, freedom, and human dignity, she was recently honored with the first Joachim Prinz Award from the New Jersey Region of the American Jewish Congress.

Speaking of her involvement in Jewish affairs, Mrs. Levine said:

> My commitment has been a liberal concern for all people, their civil rights and civil liberties. It never has been enough for me just to have nice clothes and go out for an evening at the theater. I want to do something for this world. I'm here such a short time, I want to have done something to make it better for some people, some place, if I should die tomorrow.

And she has done a great deal for people—especially for the Jewish community. Mrs. Levine has been active in many community and Jewish activities, is a member of the board of trustees of the Jewish Community Federation of Metropolitan New Jersey and is a past chairwoman of the women's division of the United Jewish Appeal. Active in Bryn Mawr College's alumni association, she is chairwoman of the campaign for a Judaic studies program at the college.

She has become identified with the Soviet Jewry freedom movement through various activities, and was national vice president of the Council of Jewish Federations from 1971 to 1974. In 1971, as a member of the Soviet Jewry federation's community relations committee, and as president of the women's division, she helped initiate and served as the first chairwoman of the Women's Plea for Soviet Jewry, the coordinating body of 39 national Jewish organizations concerned with the plight of Soviet Jews.

The list of Mrs. Levine's accomplishments goes on, as does her energy and dedication. I am sure that is why she was chosen to receive this award, and confident that she will continue to work hard promoting peace in the Middle East and fair treatment for Soviet Jews through her dedication and activities in the United States.●

I LOVE HER A LOT

● Mr. TOWER. Mr. President, the Sunday Sentinel of Nacogdoches, Tex., recently featured an article by Ms. Dianne

Webb concerning an important event honoring Miss Mamie Middlebrook for a wonderful 62-year career as a teacher of music in Nacogdoches. The occasion was highlighted by a benefit piano recital sponsored by the Nacogdoches Music Teachers Association and the Department of Music at Stephen F. Austin State University.

The article speaks of the universal love and esteem that are accorded to "Miss Mamie" by all who are privileged to know her; it refers to the tremendous contributions she has made to the development of the talents and character of her students; it lists the outstanding professional achievements of several of her students; and, most of all, the article describes a life that has been exemplary in unselfish and inspired service to God, country, and community.

I am told that the esssence of the events honoring Miss Middlebrook's service of 62 years was best summed up by a promising young American who is currently Miss Mamie's youngest pupil, Mr. Danny Wier. He said, "I love her a lot." In that expression of appreciation and affection, Danny is joined by a grateful citizenry of Nacogdoches.

Mr. President, I ask that Ms. Webb's Sentinel article concerning Miss Middlebrook be printed in the RECORD.

The article follows:

MISS MIDDLEBROOK'S 62 YEARS OF PIANO TEACHING RECOGNIZED TODAY

In recognition of the influence and rapport which Miss Mamie Middlebrook has enjoyed with thousands of piano students and their families in 62 years of teaching in Nacogdoches, the Nacogdoches Music Teachers Association and the Department of Music at Stephen F. Austin State University will honor Miss Middlebrook today, Sunday, with a benefit piano recital at 3 p.m. in the Recital Hall of the SFASU Music Building.

Miss Middlebrook's name is synonymous with the outstanding teaching of music in Nacogdoches, and several of her former pupils have become professional musicians—Monte Hill Davis, Charlotte, Dorsey Tull, Sandra Fulmer Davidson, Ruth Reavley Harris, Starr Davis, Jill Street, and Jerry Street— to name a few.

The soft-spoken, dignified Miss Mamie is beloved by those who know her and have had the privilege of being her friend, her pupil, or, perhaps, both.

Her teaching and her students are her greatest rewards, and she quickly mentions that she wants to give credit to those friends, relatives, and teachers who have helped her throughout the years—never does she mention the profound influence she has had on others.

She wants the compliments and laurels to be given to those people who have helped her become one of the best-loved and best-known music teachers in East Texas, she says.

Miss Mamie was born Jan. 19, 1899, in Nacogdoches, the daughter of Hannah Jan and Vernon Eugene Middlebrook. She grew up and lived for many years in one of the lovelier old Victorian homes on the south side of Irion Hill.

She attended Trinity University in Waxahachie from 1920–21, and received her B.A. degree from Stephen F. Austin State University in 1935. Her piano teachers included Mrs. Robert Lindsey and the late Ida Pritchett, both of Nacogdoches; Silvio Scionti, Clarence Eidam, Harold von Mickwitz, and Hans Barth.

Miss Middlebrook received additional instruction at the Cosmopolitan School of Music in Chicago; Northwestern University in Evanston, Ill.; Julliard School of Music in New York City; the Conservatory of Music in Mexico City, the University of New Mexico, and numerous workshops throughout the United States.

Miss Mamie said there have been several people who have been strong influences in her life, and she hesitates to mention any of the for fear of leaving out some beloved person she feels has contribtued to her success.

"I was 12 years old when I began to study piano, and I was so fortunate to have the teacher that I did. The happiest day of my younger life was when I began lessons with Mrs. Robert Lindsey.

"She (Mrs. Lindsey) had the most beautiful music room; and, in fact, it was a small auditorium, equipped with a nine foot Baldwin grand piano and an upright piano.

"I could write volumes about Mrs. Lindsey. All of us adored her. She taught us the right kind of repertoires from the right composers, so we had the right beginning—whereas, so many people studying piano have a very poor beginning."

Miss Mamie mentioned that her father played by ear and her mother had had music lessons. "They were such an inspiration to us (Miss Mamie and her sister Fannie Middlebrook Buchanan).

"I think I learned very much from my father about reading music from the bass upward, which, in my estimation, is the right way to read music—bass, tenor, alto, soprano—something like architecture.

"I can just hear my father saying (to my sister), 'Fan, play the bass for me,' and she would do so. He had a very good bass voice, and he loved hymns."

Music and those who want to learn music have been her life and the key to her ability to inspire others with her pleasure in and gratitude for an art form as enduring as time itself, she says.

People who were inspirations to Miss Mamie and whom she especially wants recognized are Miss Willie Gramling, a long-time Nacogdoches piano teacher and friend; Mrs. Tom (Fannie) Buchanan, her sister; Carolyn Sturdevant Miller, a Nacogdoches pianist; and Ida Pritchett (now deceased), who was head of the Music Department at SFASU when it was first established.

According to Miss Middlebrook, the first piano teacher at SFA was Minnie Lucille Summers, "a very beautiful woman and graduate of Baylor University."

Miss Middlebrook said Miss Summers did not stay long at the university because she married and became Minnie Lucille Summers Weinrich and moved to San Antonio. Now deceased, Mrs. Weinrich was the aunt of Mrs. Branch Patton of Nacogdoches.

"After she (Mrs. Weinrich) left, our beloved first president (Dr. A. W. Birdwell) of SFA called me into his office and he told me that Miss Pritchett had suggested that I take Minnie Lucille's place; and thus it was that I began teaching piano at SFA, and I built up a large class and worked on my B.A. degree and did much on my degree."

Miss Middlebrook said she will always be indebted to Monte Hill Davis, one of the professional pianists who will play in today's concert, for having had her as a pupil.

When she was five years old, Monte Hill Davis began piano lessons with Miss Mamie. Said Miss Middlebrook, "Her (Monte Hill's) beautiful talent brought these other pupils, Charlotte (Tull) and Jill (Street) to me."

At age nine, Monte Hill Davis appeared as a soloist with the Houston Symphony Orchestra. Three years later she began studying with one of Miss Mamie's former teachers, Dr. Silvio Scionti at North Texas State University, and his wife Isabel Scionti.

During these years, Monte Hill Davis won the G. B. Dealy Award, the Gulf Sulphur contest, the Austin Symphony competition; and the Amarillo Symphony contest. In 1953, she went to Europe where she won several top piano prizes and subsequently played in a New York Town Hall recital, for which she received critical acclaim.

Jill Street, another of Miss Mamie's former students, and a professional musician, said upon learning of the benefit recital for Miss Middlebrook, "I appreciate very much the opportunity to help honor Miss Mamie. She is one of the dearest ladies my family and I have ever known."

Charlotte Tull, who will also perform in the recital today, is the wife of Dr. Fisher Tull, chairman of the Music Department at Sam Houston State University in Huntsville.

Said Mrs. Tull, in a letter to Dr. Robert Blocker, about the recital, "Thanks for everything. I had a letter from Mamie yesterday, and she is just almost overcome with excitement."

Mrs. Tull mentioned in her biographical data that all her professional and musical activities are a direct result of the fact that "from an early age I was instilled with a love for music, and in particular piano, that has developed into a rewarding career. Mamie Middlebrook is responsible to a great extent for the nurture and growth of that early interest."

Also appearing in today's recital will be Danny Wier, seven-year-old son of Mr. and Mrs. Don Wier of Nacogdoches. Danny began studying with Miss Mamie in October of 1977, at the age of six. Miss Middlebrook said of Danny, "His ear training is perfectly marvelous. He feels the slow movements better than any child I've ever had."

After cooperating quietly and playing beautifully during his lessons with Miss Middlebrook, Danny said about his music teacher, "I love her a lot."

The simple statement of this young student seems to sum up the feeling of all who know Miss Mamie Middlebrook, a beloved person who deserves the acclaim of her community and her contemporaries.●

SALT: THE SAME SECURITY FOR LESS

● Mr. McGOVERN. Mr. President, the current issue of Arms Control Today, the publication of the Arms Control Association, contains a very thoughtful analysis of the projected SALT treaty and its benefits for the United States by the senior Senator from Idaho, Mr. CHURCH.

The Senator makes a particularly compelling argument on the question of whether strategic arms control should be linked with Soviet misbehavior elsewhere. He says:

The notion that SALT II can be held hostage for changes in Soviet behavior in other areas flies in the face of the fundamental precept that makes the arms limitation talks possible at all; that is, that an agreement to limit strategic arms equally serves the vital interests of both powers, and further, is mutually perceived to do so. The linkage theory presumes that an agreement is more in the interest of the Soviets than of the United States, and we can therefore "punish" the Kremlin by delaying conclusion of the talks. But if the SALT talks are more in the interest of the Soviet Union than our own country, why are we engaging in them?

On the treaty itself, Senator CHURCH notes that while the outline constrains quite sharply what the Soviets might

otherwise do, according to intelligence projections, it does not interfere significantly with our own strategic plans. Moreover, as the Senator's article points out:

Even if the Russians did not step up their own strategic programs in the event of a SALT breakdown, the United States would have to spend an extra $20 billion, at the very least, between now and 1985, just to maintain the relative force strength that would be guaranteed by SALT II.

In the same vein, the Senator cites a Budget Committee staff estimate that over 13 years, the incremental cost to the United States could be $90 to $100 billion if SALT II is not concluded and ratified.

This, it seems to me, is an extraordinarily powerful argument. Certainly there will be technical questions and a complete evaluation of the treaty provision by provision. It will be a long and complex document. But on the whole, I think the treaty will be unattractive only to those who think it is somehow beneficial in itself for us to drain our resources on arms.

Mr. President, I ask that the article by Senator CHURCH, entitled "SALT II, Linkage and National Security," be printed in the RECORD.

The article follows:

SALT II, LINKAGE AND NATIONAL SECURITY

(By Senator FRANK CHURCH)

Since 1973, the United States and the Soviet Union have been endeavoring, slowly and haltingly, to achieve a new treaty limiting strategic offensive arms. Now, on the verge of agreement, the SALT process itself is under attack.

The strategic arms limitation effort has been caught up in the maelstrom of our stormy relationship with the Soviet Union. As a result, no one knows whether a new agreement will emerge in weeks, in months, or at all.

PROBLEM OF LINKAGE

Some of my Senate colleagues have suggested that the United States should unilaterally break off the SALT negotiations to protest the political trials of Soviet dissidents, Anatoly Scharansky and Aleksandr Ginzburg. The Carter Administration says it is opposed to using the SALT talks as a tool for pressuring the Kremlin on its internal human rights policies. However, the President, himself, may have opened the door to this kind of linkage, when he suggested that the successful conclusion of SALT II could be jeopardized by Soviet and Cuban activities in Africa. Once the concept of linkage between strategic arms negotiations and other extraneous political developments has been legitimized, it is inevitable that this same principle will be invoked by others to argue in favor of suspending the arms control talks for a myriad of other reasons. In the process, the hope of ever negotiating an end to the nuclear arms race may fade altogether.

If we persist in tying SALT to Russian behavior in the Horn of Africa, in Central Africa, or even in Moscow, we are quite unlikely to find that perfect moment in the flow of events at which we can say, "At last, our persistent competitor, the Soviet Union, is comporting itself to our complete satisfaction. Now, we should discuss the conclusion of a SALT agreement."

And if we hold the Kremlin responsible for Castro's every move in Angola or Ethiopia, then what is to stop the Russians from arguing that SALT cannot proceed until our allies, the French and Belgians, pull out of Zaire or Chad? Once you espouse the theory of linkage, where do you break the chain?

Finally, the notion that SALT II can be held hostage for changes in Soviet behavior in other areas flies in the face of the fundamental precept that makes the arms limitation talks possible at all; that is, that an agreement to limit strategic arms equally serves the vital interests of both powers, and further, is mutually perceived to do so. The linkage theory presumes that an agreement is more in the interest of the Soviets than of the United States, and we can therefore "punish" the Kremlin by delaying conclusion of the talks. But if the SALT talks are more in the interest of the Soviet Union than our own country, why are we engaging in them?

I agree wholeheartedly with Secretary of State Vance that this issue must be treated differently from others:

"The imperatives to go to Geneva now are that we are dealing with negotiations that affect the national security of our nation and the security and well-being of the world in general. . . . It is a question which deals with the prospect of mutual annihilation. . . ."

THE NEED FOR A STRATEGIC ARMS LIMITATION AGREEMENT

SALT is the only realistic alternative to a senseless nuclear arms race which neither side can win. We have already assembled a nuclear arsenal of such staggering proportions that the United States could destroy the Soviet Union several times over, even after enduring an attack upon itself. This ability to strike back devastatingly if attacked—an ability the Soviet Union also possesses—has brought the two sides to a state of mutual deterrence and a suicidal holocaust has thus far been averted.

But we are on the verge of a new, even more dangerous stage of the arms race. The United States and the Soviet Union are developing new counterforce weapons which could enable each side to destroy the other's ICBM's. If these weapons are deployed, each nation's fear of a first strike will be dramatically increased. The psychology of the arms race is such that without a mutual agreement between the U.S. and the U.S.S.R. to limit these new weapons developments, the race will escalate—even though it is obvious that we would never reach a point through competition at which we would feel secure enough to stop. In fact, a new counterforce competition would make us feel less secure, because the stability of mutual deterrence would be weakened. In short, the only practical way to achieve stability, enhance our national security and, simply put, keep the lid on, is through strategic arms limitation agreements.

Secretary of Defense Harold Brown said in his presentation this year to the Senate Armed Services Committee:

"We want mutual deterrence to be so stable that it cannot be upset in a crisis. We want it to be so well designed that neither side will be tempted to try to upset it over the longer term. These are the two essential types of strategic stability that we seek."

There is no question in my mind that strategic arms limitation agreements are indispensible if we are ever to achieve this kind of strategic stability.

The value of arms limitation is much more obvious when we consider how indefatigably we and the Soviets have pursued the other path—only to secure a stalemate. We kicked off the nuclear weapons age in 1945 and outdistanced the Soviets throughout the 1950s. We maintained both a quantitative and qualitative lead in the 1960s, and we still hold a qualitative lead. But from the start, the Soviet catch-up has only been a matter of time.

In 1966, the Soviet Union had 244 Intercontinental Ballistic Missiles (ICBMs). We were then approaching our present total of 1,054 land-based ICBMs. The Russians had 29 Submarine-Launched Ballistic Missiles (SLBMs) and we had almost finished out program of 656 such missiles.

In the late 1960s, with forces more than adequate for deterrence, we decided to stick with our missile totals, at least for the near future. Meanwhile, the Soviet Union was coming from behind, and its land-based missile force exceeded ours by the end of the decade. Their submarine force grew larger than ours a few years ago.

But we were not idle while the Soviet Union was increasing its missile totals. In 1970, we began installing multiple independently targetable re-entry vehicles (MIRVs)—a technical name for strategic warheads—atop both our land-based Minuteman missiles and our submarine-based Poseidon missiles. (We also installed a less sophisticated multiple warhead on our Polaris submarine missiles.) The Soviet Union did not start MIRVing its land-based missiles until 1975, and only recently acquired the ability to deploy MIRVs on submarine-based missiles. By comparison, every one of our submarine-based ballistic missiles boasts a multiple warhead.

As a result of our earlier start and better technology, we presently possess more than twice as many deliverable strategic nuclear warheads as the Soviet Union. Our analysts tell us that we will maintain a warhead lead for the foreseeable future.

Some discount this lead by pointing out that the Soviets have developed generally larger ICBMs and more of them—about 1,500 compared to our 1,054. They have also installed more submarine-launched ballistic missiles, although we have built more bombers. The total forces, as measured by the number of strategic delivery systems, compare at more than 2,500 for the Soviets to about 2,100 for us. But the numerical disparity is not in itself a cause for concern, since our current forces are capable of hitting twice as many targets as theirs, with a punch many times larger than the blasts which destroyed Nagasaki and Hiroshima.

A BETTER ALTERNATIVE

To understand why we should welcome the prospective new treaty now being negotiated, we should look at some of the contemplated controls and limitations. We should also consider both the added cost and uncertainty that would face us without a new treaty.

The basic element of a new SALT package will be a treaty to last until 1985, which will establish certain ceilings on overall strategic delivery systems, as well as sub-limits on missiles with MIRVs, upon heavy bombers carrying cruise missiles, and upon land-based MIRVed ICBMs. The second component will be a protocol applying temporary additional limitations until around the end of 1980. The third component will be a statement of principles and guidelines for SALT III.

The emerging three-part SALT agreement would hold many benefits for the national security interests of the United States:

The maximum limit of 2,250 on strategic delivery systems will force the Soviet Union to dismantle about 300 of its missiles and/or bombers. This reduction is even more striking by comparison with what the Soviets might add without SALT. The Department of Defense projects more than 3,000 Soviet strategic weapons by 1985, without a treaty. If so, then we can correctly credit SALT II with removing the threat an additional 800 Soviet intercontinental bombers and/or ballistic missiles would pose. By contrast, the ceiling will not force us to make any reductions in the number of our strategic weapons. Indeed, if we choose to do so, we can add new weapons in sufficient number to equate our total force with that of the Russians.

The ceiling of about 1,200 on missiles with

MIRVs will constrain the United States only slightly. However, it will hold the Soviet side to a total hundreds below what we believe they would otherwise install.

We benefit most immediately from the expected allowance above the MIRV ceiling of 120 heavy bombers equipped with air-launched cruise missiles (ALCMs), as we are well along with our cruise missile program.

Since a far smaller proportion of our forces are on land, the Soviet side will be most affected by the limit of 820 on land-based ICBMs with MIRVs. Our intelligence believes that the Russians would deploy hundreds more land-based missiles with MIRVs by 1985 without a treaty.

The treaty limitations may cause the Soviets to give greater emphasis to seabased forces at the expense of land-based forces, a move which will be inherently less threatening and more stabilizing.

The mobile missile provisions in the protocol are decidely in our interest. A Soviet mobile missile now ready to be deployed, the SS–16, would be banned for the period of the protocol, while the development of our own mobile missile, the M–X, would not be constrained, should we decide to proceed with it.

The cruise missile provisions in the protocol will allow us to proceed as quickly as we are able with cruise missile development and deployment. The Soviets will not derive similar benefits, since they have no comparable program.

Against this background, one might ask, what is in this package for the Soviet Union that does not increase the danger to us?

First, the land-based missile forces of the Soviet Union possess a greater throw-weight in megatonnage than the comparable forces of the United States. This will compensate them for the threat posed by us of our far superior submarine missiles and our larger force of penetration bombers with ALCMs. Second, SALT II, by incorporating the principle of equal aggregates, will acknowledge the fact that the Soviet Union has become the relative equal of the United States in strategic nuclear arms. Third, the new agreement will save the Russians—as it will us—the heavy financial burden and the needless diversion of resources which would be entailed in an unrestrained continued competition.

To sum up, in no case will SALT II cause the United States to yield any advantage whatever to the Soviet Union in strategic nuclear arms. On the contrary, SALT II will leave the United States relatively better off, for the life of the treaty, than it would be if there were no treaty and each side continued to proceed through 1985 according to current plans.

Obviously, if there were no SALT II agreement, the United States would not sit still, militarily. If the Russians continued to expand their strategic force at the current rate, we could expect upward revisions in our own military budget.

Even if the Russians did not step up their own strategic program in the event of a SALT breakdown, the United States would have to spend an extra $20 billion, at the very least, between now and 1985, just to maintain the relative force strength that would be guaranteed by SALT II. This amount would cover the construction of 100 FB–111 bombers and modernization of existing ones, the deployment of additional sea-launched cruise missiles, the replacement of the remaining 450 Minuteman IIs, with MIRVed Minuteman IIIs, and the installation of more ICBMs.

If, in addition, we were to speed up development of the M–X mobile missile by two years, and restart the B–1 bomber program, we would have to pile on another $24 billion over the next 10 years. The Senate Budget Committee staff has estimated that over 13 years, the incremental cost to the United States of building a maximum force reasonably envisioned in the absence of a SALT agreement could be $90 to $100 billion!

The willingness of the American people to bear whatever cost is necessary is not in doubt, nor is the ability of our military to keep pace with the Russians. The question is, why should we pour additional billions of dollars for defense into a federal budget already deep in deficit and further inflame inflationary pressures, when precisely the same measure of security can be achieved by concluding a sensible arms agreement with the U.S.S.R.?●

THE HUMPHREY-HAWKINS BILL

● Mr. GARN. Mr. President, S. 50, the Full Employment and Balanced Growth Act of 1978, better known as the Humphrey-Hawkins bill, has been ordered reported from the Banking Committee with several changes from the earlier Human Resources Committee version. I must say that the Banking Committee made a number of significant improvements in S. 50, the most important of which was the inclusion of a goal of a zero rate of inflation to share the spotlight with the goal of full employment in the designation of national priorities. Indeed, the goals of a balanced budget, the reduction of the percentage of the gross national product accounted for by Federal spending, greater attention to the trade and balance-of-payments problem, and a better articulated agricultural policy are all quite useful improvements in the bill which the committee received. Nevertheless, the Humphrey-Hawkins bill represents an approach to Government which I (and a number of my colleagues) feel impelled to reject.

The basic underlying assumption of the Humphrey-Hawkins bill is that the major cause of our Nation's economic ills—particularly unemployment—is the lack of coordinated planning by agencies of the Federal Government charged with economic policy. To remedy this assumed defect, the bill directs planning and coordination on an unprecedented scale.

If you begin with the wrong assumption, as I would argue that the Humphrey-Hawkins bill does, then the remedies inevitably will be irrelevant to the problem. Worse still, those remedies may even compound the problems with which our Government seeks to cope.

Lack of economic planning is not a major source of our unemployment problem. Rather, it could be argued that unemployment has resulted from misdirected (and perhaps, too well coordinated) Federal programs, which have created disincentives to invest in the private sector and generally have impeded the free market forces essential to a healthy economy. What is needed is not more Government programs and the resultant greater Government monopolization of the capital markets. Rather, the need is for an elimination of impediments to the free flow of capital into useful and productive enterprises.

Counterproductive tax and regulatory policies have created a situation in which the rate of capital formation in the United States is the lowest of any of the industrialized nations of the West. Our productivity is growing far slower than that of our major trading rivals. These are serious and potentially crippling problems which go to the heart of the questions that this bill purports to address. Yet, S. 50 pays mere lip service to the creation of incentives for private capital formation. No specific programs are adumbrated. Indeed, this bill is an excuse for inaction on this front, calling for all sorts of good results from the executive branch but offering only public service employment as the alternative when those results fail to materialize.

Mr. President, I say that it is time for Congress to stop asking the Executive to make the current economic system work and start modifying the counterproductive tax and regulatory system structure in such a way that the economic system itself will have an opportunity to create useful and productive employment.

It is disheartening to note that in terms of programmatic content the major thrust of this bill is still toward public service employment, albeit on a standby basis. One might have hoped that our bad experiences with CETA (Comprehensive Employment and Training Act) programs would have chastened Congress to avoid any long-term commitment to public service employment. Yet title II of the bill mandates expansion of CETA programs and other countercyclical measures, if after 2 years from the enactment of the bill the President determines that such programs are necessary to help achieve the goals and timetables for the reduction of unemployment.

This approach will not solve the unemployment problem in any meaningful way. Instead, it is likely to compound the problem by increasing the Federal deficit to finance such programs (something the Banking Committee's version of S. 50 directs the President not to do). Any major increase in the deficit would draw off funds from the private sector which might otherwise have gone into job-creating investments in plant and equipment. A vicious circle is created thereby, with public service employment created to reduce the rate of unemployment but those very programs undermining private sector employment opportunities, thus worsening the unemployment problem over the longer run rather than alleviating it.

Mr. President, CETA was created to cope with the problem of structural unemployment, to provide individuals—particularly the so-called hard-core unemployed—with the training and skills to become meaningful members of our Nation's work force. But in his testimony before the Banking Committee, Secretary Marshall himself acknoweldged that, as it stands, the present CETA program is not adequate to cope with the massive increase in public service employment and training programs envisioned in S. 50. He was optimistic that it can be made so. Based on past experience, however, I see no reason for optimism.

Almost daily, the American people are treated to a litany of CETA abuses and mismanagement recounted in the media. Tens of billions of taxpayers'

dollars have been spent on this program since its inception. Currently, it is a poorly managed $11 billion program. There is no telling how large it might grow if Humphrey-Hawkins becomes law.

The question needs to be asked: How many more jobs could have been created if such funds were provided to private industry in the form of tax relief or incentives? Almost certainly more jobs, and even more importantly, more productive employment and more useful job skills, could have been created by going the route of encouraging the private enterprise system to function at its full capacity. That is, however, a "road not taken," and I fear that title II of S. 50 is an invitation to even greater emphasis on public service employment and more of the same dead end, make work approach.

The ultimate question concerning S. 50 is why, if it is possible to enact programs to reduce unemployment to 4 percent or lower, without inflammatory impact, have not such programs been put into effect by the administration already? The converse of that question is that of whether legislating mandated goals for the administration to meet will have any appreciable effect on unemployment, given the present state of economic knowledge. If the administration cannot achieve low unemployment levels in the absence of congressional prodding, will such prodding have much appreciable effect? And what will Congress do, other than creating public service jobs, if the administration fails to achieve the prescribed goals?

There is the very real danger of raising expectations among the poor and disaffected only to dash them once more. If the unemployment goals are not achieved, and Congress balks at massive public employment programs as called for in the bill, then there is the likelihood of a feeling of betrayal among the poor and minorities. It has been argued that one of the major causes of the urban riots in the late 1960's was the disappointment and disillusionment resulting from the failure of the Great Society and the civil rights movement to change the life of the average ghetto dweller. Why do the proponents want to run that risk once more by indulging in the posturing and promises entailed in this bill? It is little more than a cruel hoax.

Despite all of the obstacles and counterproductive tax structures, the American economy has performed surprisingly well with regard to the production of jobs since the last recessionary trough. Since the first quarter of 1975, 12.6 million new jobs have been generated. During 1977 alone, 4.1 million new jobs were created. Currently, almost 59 percent of the working age population is employed, which is a greater percentage than the average employed during the 10 years of so-called full employment since World War II. In other words, both in absolute numbers and as a percentage of the working age population, more Americans are working today than the average of what are considered to be the best employment years of recent times. But, at the time, more people than ever are looking for employment, and this has caused the unemployment rate to rise.

Mr. President, I am not arguing that the country never had it so good. But I am saying that there is no reason for panic or for new and comprehensive legislation which would prescribe remedies for a disease that has not yet been adequately diagnosed. The ills of the American economic system are genuine enough. But, as I have argued, my prescription would be radically different from that found in the Humphrey-Hawkins bill. A transfusion for the private sector not the public sector is what the situation demands.

Mr. President, I ask that an article by Michael Kiernan in yesterday's Washington Star, revealing the latest evidence of CETA abuse, be printed in the RECORD.

The article follows:

FURTHER CETA ABUSES CITED IN DISTRICT

(By Michael Kiernan)

D.C. manpower officials have discovered hundreds of examples of sloppy bookkeeping and possible favoritism throughout the District's federally financed public service jobs program.

The new evidence of abuse and mismanagement in the District's use of federal funds under the Comprehensive Employment and Training Act goes well beyond hiring abuses that the D.C. City Council has already been accused of, city officials say.

The amount of federal funds spent on CETA workers questionably hired throughout the District could total several million dollars, one official estimated.

The CETA program is designed to train and provide temporary jobs for the most desperately unemployed.

Major irregularities uncovered by D.C. manpower officials in the CETA program include:

Several hundred examples of poor bookkeeping, including at least 129 cases in which no employment records exist to document the hiring of CETA employees now on the payroll.

Scores of examples of written requests for specific people by ranking city officials and heads of non-profit, community-based organizations in an attempt to "pre-select" CETA workers and circumvent normal hiring procedures.

An unspecified number of cases in which suburbanites, rather than city residents, have worked under the District's CETA program.

National, CETA is an $11 billion federal program. Of the $48 million the District is due to receive this year in CETA funds, $25 million is expected to go to 3,400 public service employees and the rest for job training and the employment of disadvantaged youth.

Controversy over the District's use of CETA funds surfaced last March when a Washington Star investigation found that the City Council had made extensive and at times illegal use of the program's money to create one of the largest city council staffs in the country.

Nearly half of the council's staff—60 of 130 employees—are CETA workers.

Last month a team of investigators from the U.S. Labor Department verified The Star's findings and demanded that the council justify the spending of hundreds of thousands of dollars in CETA funds since January 1975. The council's response to that report is due this week.

Meanwhile, in light of the Labor Department's report, city manpower officials have stepped up their own efforts to put all of the District's CETA employment records in order.

During their recent review of several thousand CETA files, manpower officials came across numerous irregularities in other city agencies besides the council.

"The Council's abuse of CETA's public service jobs program was just the tip of the iceberg," said one source in the District's newly created Department of Labor.

"CETA abuses have taken place in numerous agencies, both in the District government and in the community-based organizations, and we're just beginning to get a handle on them," said the official, who asked not to be identified by name.

Asked to comment on the recent manpower findings, Lorenzo White, acting deputy director of the D.C. Labor Department, insisted yesterday that the District's CETA program has vastly improved during the last year and that the recent findings represent "only a small part of the overall picture."

In addition, said White, the District is "well on its way toward installing a computerized system that will monitor and catch any (future) irregularities."

White agreed, however, that the findings were significant. "These problems are not something we can just dismiss out of hand. They are serious. We're concerned. We're doing our best to clean it (the program) up."

In their review of records for more than 5,000 past and present CETA employees, D.C. manpower officials have found the following:

Hundreds of examples of poor bookkeeping: Among current CETA workers, 379 recently were found to have incomplete employment records. Of these, 129 had no verified employment records at all on file. Failure to maintain such records is a direct violation of CETA guidelines.

The sloppy record keeping raises serious questions about the eligibility of those who apparently got CETA jobs without going to the city's manpower office to fill out job forms.

"This kind of thing is supposed to be impossible under the CETA guidelines, but here you have numerous examples of people hired apparently without ever filling out the proper employment forms," said one manpower official.

Scores of examples of possible favoritism: D.S. manpower officials have uncovered at least 82 letters requesting that 159 individuals be assigned to specific CETA jobs.

Of the 82 letters, called "name referrals," 21 came from the City Council, 22 from other city agencies and 39 from non-profit, community-based organizations.

Though not always illegal, this practice of selecting CETA workers with name requests is widely regarded by U.S. Labor investigators as a red flag signaling favoritism and possible political patronage.

The latest review shows that the City Council was only one of a number of CETA agencies that engaged in the controversial practice.

An unspecified number of suburbanites working under CETA in the District: Ranking manpower officials say they have uncovered evidence that Maryland and Virginia residents are working under the District's CETA program, which is supposed to aid unemployed city residents.

According to manpower officials, city CETA workers must reside in the District at the time of their employment, but manpower officials say they have found a number of instances in which CETA workers have moved from the District to the suburbs once they obtained their D.C. CETA jobs.

"We are currently reviewing our policy toward these workers," said White, adding that the CETA program clearly is designed to aid city and not suburban residents.

Meanwhile, other manpower officials say that some CETA workers have always lived in the suburbs. "We suspect that some give us

phony city addresses to get into the program, but it's usually difficult for us to find this out," said one official.

Last month, in its report on the City Council's CETA program, the U.S. Labor Department's regional office in Philadelphia demanded that the council justify all money paid to council CETA workers hired under questionable circumstances, including those who were hired without proper documentation.

How the regional office will react to similar findings in other D.C. agencies remains unclear as the District government prepares to respond to last month's report.●

IN SUPPORT OF A COMPREHENSIVE TEST BAN

● Mr. KENNEDY. Mr. President, last May I had the opportunity to participate in the strategic arms limitation and comprehensive nuclear test ban negotiations in Geneva. I was impressed with the administration's steady progress in negotiating a CTB treaty with the United Kingdom and the Soviet Union. This progress is reflected in growing diplomatic prospects for negotiating a CTB Treaty with the United Kingdom and the Soviet Union this year. Such a treaty is expected to be submitted to the Committee on Disarmament and the U.N. General Assembly before it is open for ratification, perhaps as early as mid-1979.

By the end of this decade, we will have the opportunity to complete the process begun with the Limited Test Ban Treaty, which was concluded at the beginning of the last decade under President Kennedy. A comprehensive nuclear test ban would be a major achievement for President Carter, who has been consistently committed to ban all nuclear testing for as long a period as possible. It would represent a significant qualitative constraint on the arms race among the nuclear powers. And it would represent a major opportunity to prevent the further spread of nuclear explosive capabilities—through a nondiscriminatory treaty adhered to by nuclear-weapon states and non-nuclear-weapon states alike.

Faced with this prospect of diplomatic success, the nuclear testing buffs have been scrambling for arguments to forestall the day when the United States will stop exploding bombs. Some of the most determined advocates of nuclear testing can be found in the bureaucracy of nuclear testing based on our nuclear test programs—within the Department of Energy and in DOE's nuclear weapons laboratories.

Unfortunately, the nuclear testing bureaucrats continue to work against a CTB Treaty, against our best national interests and despite the administration's clear commitment to this objective. Just 2 days ago, the Acting Assistant Secretary of Energy, Donald Kerr, testified that without nuclear tests—

> confidence in the nuclear stockpile, in our best judgment, would degrade. Entire weapons systems would have to be deleted from the force structure, systems for which we now see no alternative . . . a total cessation of testing in the long run would inevitably result in a steady decline of our confidence in the reliability of our nuclear deterrent and risk a steadily growing asymmetry between US and Soviet military forces.

Not only are these statements which undercut the President's policy, but they amount to a gross misrepresentation of the implications of a CTB for our national security. The fact is that a CTB can be achieved without any significant degradation of our nuclear weapons stockpile. A CTB will serve to freeze nuclear technology—which is presently clearly in favor of the United States.

To demonstrate this, I am joining with the Federation of American Scientists in releasing a letter to the President from leading nuclear weapons experts in the United States: Dr. Richard Garwin, Dr. Noris Bradbury, and Dr. J. Carson Mark, joined by Dr. Hans Bethe. Their letter states unequivocally that under a CTB we can "provide continuing assurance for as long as may be desired of the operability of the nuclear weapons stockpile."

On the basis of my own review, I fully agree with these experts that safeguards programs short of nuclear testing can and should assure the integrity and reliability of our nuclear weapons stockpile. If there remain valid concerns despite all the evidence, they can surely be resolved by a review provision which permits the United States to take any stockpile impact into account before deciding to extend the duration of a CTB treaty.

Furthermore, a comprehensive test ban will not put U.S. strategic forces at a disadvantage vis-a-vis the Soviet Union. If anything, the reverse is the case, for a CTB would serve to preserve prevailing U.S. advantages in nuclear weapons design. Adm. Thomas Davies of the U.S. Arms Control and Disarmament Agency has testified that:

> One of the major national security benefits to the U.S. of a CTB is the constraint it would impose on modernization of Soviet strategic nuclear forces. It is widey recognized that the United States currently enjoys an advantage over the Soviet Union in nuclear weapons design. A mutual cessation of nuclear testing would essentially freeze nuclear weapons technology at current levels, and would therefore preserve that advantage. A freeze on Soviet nuclear weapons technology, by inhibiting improvement of the yield-to-weight ratios of Soviet warheads, would prevent the Soviets from taking full advantage of the large throw-weights of their land-based missiles and from putting the much smaller throw-weights of their submarine-based missiles to more efficient use.

Mr. President, I request that the full text of the letter from and background information on Dr. Garwin, Dr. Bradbury, and Dr. Mark be printed in the RECORD. Their letter was subsequently reviewed and endorsed by Nobel Laureate Hans Bethe and by the Federation of American Scientists, about whom further information is also provided following the letter.

The material follows:

AUGUST 15, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As individuals long involved in the conception, design, manufacture, test, and maintenance of many of the United States' nuclear and thermonuclear weapons, we want you to know of our judgment on a question which has assumed considerable prominence in connection with the Comprehensive Test Ban Treaty ("CTBT"). That is the question of the degree of assurance in the continued operability of our stockpiled nuclear weapons in the absence of any possibility of testing with significant nuclear yield (for instance, with testing limited to laboratory-type experiments.)

As you know, the assurance of continued operability of stockpiled nuclear weapons has in the past been achieved almost exclusively by non-nuclear testing—by meticulous inspection and disassembly of the components of the nuclear weapons, including their firing and fuzing equipment. Problems encountered in this inspection are normally validated by additional sampling and solved by the remanufacture of the affected components. This program is, of course, supplemented by the instrumented firing of the entire nuclear weapon with inert material replacing the fissile materials, and the entire program thus far described would be unaffected by the requirements of a CTBT. It has been exceedingly rare for a weapon to be taken from stockpile and fired "for assurance."

It has also been rare to the point of nonexistence for a problem revealed by the sampling and inspection program to require a nuclear test for its resolution. There are three acceptable approaches to the correction of deficiencies without requiring nuclear testing:

(1) Remanufacture to precisely the original specifications.

(2) Remanufacture with minor modifications in surface treatment, protective coatings, and the like, after thorough review by experienced and knowledgeable individuals.

(3) Replace the nuclear explosive by one which has previously been tested and accepted for stockpile.

A fourth option, to replace the troubled nuclear system by one not already proof-tested may result in improved performance, lesser use of special nuclear materials, or the like, virtues which have more to do with improvement of the stockpile than with confirming its operability.

We believe that the key question to be answered by those responsible for making and maintaining nuclear weapons is

"Can the continued operability of our stockpile of nuclear weapons be assured without future nuclear testing? That is, without attempting or allowing improvement in performance, reductions in maintenance cost, and the like, are there non-nuclear inspection and correction programs which will prevent the degradation of the reliability of stockpiled weapons?"

Our answer is "yes," and we now discuss the reasons why knowledgeable people may have answered "no" to seemingly similar questions.

First, we confined ourselves essentially to the question, "If the stockpile is not required to improve, can it be kept from degrading?" Others may have had in mind the normal work of the weapons laboratories, by which nuclear weapons are continuously made somewhat more efficient, less costly in terms of nuclear materials, adapted to new packaging requirements, and safer to handle—for instance by the substitution of insensitive explosion. We have participated in such programs and find them both interesting and useful. Were these "improvement programs" carried out long enough without nuclear testing, the weapons thus affected would indeed have uncertain performance; the solution under a CTBT would be to forego such programs in order not to sacrifice stockpile reliability to a desire for minor improvement in performance.

Second, it is true that certain deficiencies have in the past been corrected by the replacement of the affected nuclear system by another one, following a test certifying the replacement model as ready for stockpile.

This corrective measure would not be available under a CTBT. But the examples normally cited need not have been corrected in this way; for instance one Polaris warhead problem could readily have been solved by remanufacture with an acceptable change of surface treatment on the component which had caused the problem. The change of nuclear system was not absolutely necessary for the correction of the problem observed.

Finally, it is sometimes claimed that remanufacture may become impossible because of increasingly severe restrictions by EPA or OSHA to protect the environment of the worker. We note that additional protective measures which might be an intolerable cost burden in the manufacture of cardboard or of lightbulbs or of aircraft breaks are easily affordable in connection with the nuclear stockpile. Thus if the worker's environment acceptable until now for the use of asbestos, spray adhesives, or beryllium should be forbidden by OSHA regulations, those few workers needed to continue operations with such material could wear plasticfilm suits (supplied with external air) commonly used for isolation against germs and against certain pharmaceuticals. It would be wise also to stockpile in appropriate storage facilities certain commercial materials used in weapons manufacture which might in the future disappear from the commercial scene.

It has been suggested that under a CTBT a President or Congress or the Department of Energy might not provide funds for stockpile maintenance inspection and correction, or that a President might not provide a requested exemption from OSHA or EPA requirements. We see no reason to assume that the national security bureaucracy will not continue to serve the national interest, and we would welcome a statement in conjunction with a CTBT that non-nuclear testing, inspection, and remanufacture where necessary will be fully supported in order to ensure the continued operability of stockpiled nuclear weapons.

We believe that the Department of Energy, through its contractors and laboratories, can through the measures described provide continuing assurance for as long as may be desired of the operability of the nuclear weapons stockpile. We are making this statement available to others in the Executive and the Congress.

Sincerely Yours,

J. CARSON MARK.
NORRIS E. BRADBURY.
RICHARD L. GARWIN.

BACKGROUND

Hans Bethe is a Nobel Laureate and one of America's most senior experts in nuclear bomb technology. Connected with Los Alamos scientific laboratory since World War II, he was a key adviser to President Kennedy in the scientific debate that led to acceptance of the Limited Test Ban Treaty in 1963.

Norris Bradbury was the immediate successor to Robert Oppenheimer when, in 1945, Dr. Bradbury became Director of the Los Alamos scientific laboratory and served in that capacity for a quarter of a century until 1970. A physicist and member of the National Academy of Sciences, Dr. Bradbury was also Professor of Physics at the University of California during this period and is a recipient of the Legion of Merit and of the Fermi Award.

Richard Garwin has been a consultant to the Los Alamos Laboratory for almost three decades, since 1950, and is highly regarded in the national security community for his in-depth technical analyses of an extremely broad range of defense issues. A physicist and member of both the National Academy of Sciences and the National Academy of Engineering, he has served as a member of the President's Science Advisory Committee, as a member of the Defense Science Board and as a consultant to the Arms Control and Disarmament Agency, among other agencies.

J. Carson Mark was head of the Theoretical Division of the Los Alamos Scientific Laboratory from 1947 to 1973. This Division was responsible for, and played a key role in, the conception and design of US nuclear and thermonuclear weapons in the fifties and sixties. He continues to be involved in considerations of weapons effects and with the problem of the maintenance of a nuclear weapons capability under nuclear test limitations.

The Federation of American Scientists, founded by US atomic scientists in 1946, represents half of America's Nobel Prize winners and several thousand American scientists.●

PRESIDENT CARTER'S VETO OF THE MILITARY PROCUREMENT AUTHORIZATION BILL

● Mr. BARTLETT. Mr. President, President Carter's decision to veto the military procurement authorization bill is extremely disappointing, not only for its immediate impact—the rejection of a number of urgently needed defense programs—but for what his decision represents.

The President's decision today is the latest stage in the evolution of a curious, and I believe dangerous, new brand of foreign policy, a foreign policy which relies solely on political rhetoric, to the exclusion of a more fundamental and essential instrument of foreign policy—military strength.

In his public statements, President Carter has portrayed himself as being tough, firm, and determined in the area of foreign and military policy. His actions, however, have exposed this sham. The President's documented record is clearly one of weakness and indecision.

On March 30, 1977, after the collapse of Secretary Vance's Arms Talks in Moscow, President Carter announced that he would "hang tough" in his negotiations. "We put together a package which was fair and balanced. But we are not prepared to unilaterally forego an opportunity unless it's equivalent to a Soviet response," the President said. Three months later, Mr. Carter took the unilateral action of halting production of the B–1 bomber. There was no equivalent Soviet response.

On March 16, 1978, in a major national security statement at Wake Forest University, President Carter proclaimed that "strength is the final protection of liberty." The President said:

> Even as we search for agreement in arms control, we will continue to modernize our strategic systems and to revitalize our conventional forces . . . by maintaining strategic nuclear balance; by working closely with our NATO allies to strengthen and modernize our defense in Europe.

Less than a month later, President Carter decided against proceeding with production of the enhanced radiation warhead—a weapon that is urgently needed for upgrading the defense of our NATO allies.

During his term, this President, who proclaims that "strength is the final protection of liberty," has also slashed the defense budget recommended by his Defense Secretary, terminated the Minuteman III program, canceled plans to upgrade the Minuteman II, twice delayed the MX missile, and taken a multitude of other actions which have directly undermined our national security.

On June 7, 1978, in another major address at the U.S. Naval Academy, he promised that:

> The United States will continue to maintain equivalent nuclear strength . . . We will maintain a prudent and sustained level of military spending, keyed to a stronger NATO, more mobile forces, and undiminished presence in the Pacific. We and our allies must and will be able to meet any foreseeable challenge to our security from either strategic nuclear forces or from conventional forces.

One wonders how this message must have been received by our allies—those in Western Europe, for example, who were still recovering from the shock of the President's decision against the enhanced radiation warhead, or those in the Pacific who are faced with the hasty withdrawal of American ground forces from South Korea.

I think, it is safe to say that our allies were not reassured by the President's hardline rhetoric. I am certain that our adversaries were not impressed.

I believe, as Teddy Roosevelt suggested, that in world affairs, America should "walk softly and carry a big stick." President Carter, on the other hand, seems to be saying America should walk noisily and throw away the big stick.

In the Soviet Union and elsewhere around the world, President Carter is being judged not by his words, but by his deeds. The President's decision today to veto the military procurement authorization bill can only reconfirm their judgment that the United States is growing weak and indecisive, careless, and vulnerable.

The administration's policy of dependence on political rhetoric, to the exclusion of actual defense preparedness, will place America at a grave disadvantage if, on some future date, the President is called upon to either back up his rhetoric, or back down.●

CINCINNATI HOLDS ITS OWN

● Mr. METZENBAUM. Mr. President, in this day of the virtual economic collapse of many of our major cities, it is rare that we hear of a city that is actually holding its own against the enemies all cities face: inflation, crumbling tax bases, and rising operating costs. Recently, Mr. William V. Donaldson, the city manager of Cincinnati, Ohio, testified at a House committee hearing into the financial problems of our cities. He explained how, with prudent management, fiscal responsibility, and, perhaps most important of all, increased public participation, the city of Cincinnati has been able to maintain a strong financial standing in these difficult times. I think it would be wise to note some of the programs Mr. Donaldson is using to keep Cincinnati financially afloat.

In an article appearing in the August 15 edition of the Washington Post, col-

umnist Neal R. Peirce noted the fact that city employment had been reduced by 2,000. Also, the city has adopted a policy of asking the citizens to do more for themselves, and be less reliant on the city. To the credit of the citizens of Cincinnati, this program has been very successful, Mr. Donaldson has also instituted programs designed to motivate the city employees, and make more efficient use of their time. These policies are major ingredients in the success of Cincinnati.

Mr. President, in view of the remarkable record of Mr. Donaldson, and the people of Cincinnati, I ask that Mr. Peirce's article entitled, "Cincinnati's Entrepreneur-Manager" be printed in its entirety in the RECORD.

The article follows:

CINCINNATI'S ENTREPENEUR-MANAGER

(By Neal R. Peirce)

CINCINNATI.—When House Banking Committee Chairman Henry Reuss called hearings on what cities can do to cut costs and ward off Proposition 13-like taxpayer revolts, he selected Cincinnati's city manager, William V. Donaldson, as one of his witnesses.

The choice couldn't have been more appropriate. Donaldson, now 47, has licked successive obstacles over a colorful career. He started as a theological student in Toronto, worked as a night embalming clerk in Denver and served as city manager of Scottsdale, Ariz., and Tacoma, Wash. He shuns conventional approaches like a plague. Under his management, while such cities as Cleveland and Buffalo struggle to avert massive deficits and others survive only through massive tax increases that may trigger taxpayer revolts, this grand old Ohio River city has held its budget increases to about half the inflation rate—even while imposing no new taxes.

The Donaldson formula ranges from payroll freezes to sophisticated management improvements and motivating city workers to improve productivity. And Cincinnatians have been told that if they want expanded services, they'll have to do much more for themselves.

Donaldson's job has been lightened by Cincinnati's traditional German conservatism and 50 years of professionally managed city government. But when he took over in 1975, fiscal storm clouds were gathering. The city had overestimated its payroll-tax yield and underestimated inflation's impact. "It's inflation," notes Donaldson, "that kicks the —— out of city budgets." A $15-million deficit was looming.

The city council asked citizens to vote a payroll-tax hike; they refused. "That was our Proposition 13," says Donaldson. It was time to recognize, he said, that Cincinnati—like many Northern and increasing numbers of Sun Belt cities—"was getting smaller" and needed to reduce its government.

Donaldson started by halting new hiring; though some replacements are now allowed, the permanent work force has dropped from 9,200 to 7,200. Then he started looking for longer-term solutions. Several deserve emulation in other cities:

Enlisting citizen aid. Donaldson believes citizen participation too frequently boils down to citizens "yelling" at city government to provide new services or pick up the garbage more often. City councils, short on resources, often respond by playing one neighborhood off against another. Now Cincinnati says to its citizens, "What are the things, with minimal city assistance, that you can do for yourselves?"

Responding to neighborhood complaints about unclean streets, Donaldson noted: "It wasn't somebody from Mars that threw that stuff in the neighborhood. It was the people who lived there." Citizens were told if they really wanted cleanups, the city would provide public-service workers as "whitewings"—the people who push buckets along with brooms—provided neighborhoods would finance their uniforms and agree to keep track of their time.

Motivating the civil service. City governments "get in terrible trouble," he says, because workers "get off doing their own little thing and never see how that relates to what everyone else is doing." An example: A zealous health inspector treats a violator as "a terrible scofflaw" and won't counsel him on meeting code standards. Then the violator closes his business, and the tax base is weakened. Government, says Donaldson, is "miserable at telling people 'no' nicely and giving them the idea we're here because we want to help them."

To set a fresh, positive tone, Donaldson removed the door from his personal office and rotates two middle-management workers in and out of his office—with desks adjacent to his own—every two months. In quarterly two-day seminars, department heads who've engineered management breakthroughs relate their successes and methods to their colleagues. Donaldson tries to involve workers in developing new approaches. "If they're going to have to run it, they'd better be part of developing it," he says.

Productivity measures. With help of a labor-management committee, Cincinnati's highway maintenance department rescheduled its work crews, substituted labor-saving trucks, increased its work output despite personnel cuts. The sanitation department got rid of garbage trucks prone to breakdowns. With General Motors' help, the city developed specifications for new trucks with high capacity compactors that cut down the city's landfill fees.

Because officials have short terms, says Donaldson, cities often defer maintenance of streets and other facilities and fail to replace outmoded equipment that is unduly expensive to operate. But Cincinnati, with city council backing, is now making timely replacements and concentrating its capital budget "on maintenance of what we have."

Finally, Cincinnati is knee deep in economic development. It provides technical information to businesses so they'll stay put, promotes new service jobs for blue-collar workers, encourages downtown development—including relatively expensive new housing—to make the retail core secure and attractive for shoppers.

Donaldson makes no apologies for the city acting as entrepreneur. Cities, he observes, started out as promotional enterprises, exploiting rivers, highways or railroads. "But somehow we changed into being Giant Janitors," he says. "We picked up the trash, locked up the bad guys and put out fires. If cities are going to come back, they've got to become entrepreneurial again."●

BRITISH STEEL CONTINUES TO IGNORE ECONOMIC REALITIES

● Mr. HEINZ. Mr. President, there is general agreement that the productive capacity of the world stainless steel market exceeds demand. In spite of this situation, the British Steel Corporation (BSC) undertook on July 14, 1978 a $220 million investment program that will double the stainless steel productive capacity of BSC Stainless from 100,000 to 200,000 tons per year.

This project has serious implications for U.S. stainless producers not only because BSC is heavily subsidized by the British Government, but also because BSC Stainless expects to maintain its present level of exports under the increased production. Last year, BSC lost 443 million British pounds sterling, of which £30 million were directly attributable to the operations of the stainless division. The U.S. producers receive no comparable type or level of subsidy, yet they must compete in the international and domestic markets on the same basis as firms such as BSC. British Steel's total loss of more than U.S. $700 million last year has not deterred it. With government assistance it continues to compete and produce. When people in this country talk about the need to modernize and rationalize the industry, they should realize that the real need in that respect is not in the United States but elsewhere, particularly in Europe. The steel problem, therefore, is not simply an American issue, but one of rationalizing production and capacity throughout the world that will inevitably mean some hard economic decisions by several of our European allies.

I believe that Senators would benefit from the descriptions of the BSC stainless project that appeared in the Metal Bulletin (July 14, 1978) and the Financial Times (July 14, 1978), and I ask that they be printed in the RECORD.

The material follows:

BRAVERY SHOULD BRING RESULTS

(By Roy Hodson)

As the world steel recession enters its fourth year and the big international companies acknowledge there is no discernable prospect of an upturn, British Steel is commissioning in Sheffield the largest stainless steelmaking complex ever built in Europe. On the face of it the £130M investment (which was priced at £60M when the go-ahead was given in 1974) could be an unwanted baby for a nationalised industry which lost £443m last year and is expecting losses of the same order this year. Certainly it is proving a burden on the BSC Sheffield Division whose manager John Pennington says: "We have got to get the new stainless development into full operation and profitability because at present it is a major drain on the division." The division lost £30m in the last financial year—attributable to a large degree to servicing the new stainless investment capital.

Yet, paradoxically, British Steel has probably done exactly the right thing by pressing ahead with its big investment in stainless steelmaking. For stainless is one of the few growth areas that the marketing men can look towards with any degree of certainty. The growing sophistication of industrial equipment and consumer goods means that demand for stainless will grow faster than the general growth of steel demand in all industrialised societies. Indeed, the growth in stainless demand in Britain is virtually certain to be ahead of that of the rest of the world during the next few years because Britain's usage of the metal has lagged over the last decade.

A second reason why boldness is likely to pay in the case of British Steel's stainless investment is that the Corporation—already Europe's biggest steel company—is stealing a march on the competition which they will find hard to counter. In the present depressed climate with all companies facing huge losses no other European group is likely to try to match or outpace the new BSC plant.

In particular the Swedish steelmakers who have long regarded a big share of the British stainless steel market as their rightful possession acknowledge that they have not the resources to build new tonnage stainless steel production to be competitive with British Steel.

The total investment of £130m covers the establishment of two completely modernised integrated production complexes at Shepcote Lane, Sheffield, and Panteg, South Wales. Each centre is fully equipped for electric steelmaking, ingot and continuous slab casting, and cold rolling and the bright annealing. The Sheffield hot-rolled plate production facilities have been doubled in capacity.

"Frankly we are building for the long-term with this total investment and we cannot be influenced or deterred by short-term market conditions" said Derek Bray, director of British Steel Stainless—a unit which is operating with a degree of independence as a profit centre within the Corporation.

The Shepcote plants at Sheffield are based upon new stainless steel melting capacity of 350,000 liquid tonnes a year while Panteg, South Wales, contributes a further 50,000 tonnes liquid capacity. British Steel has, in fact, doubled its tonnage capability to make stainless with one investment spread over just four years.

Of the order of one-tenth of British Steel's total turnover will henceforth be in stainless steel.

The doubling of capacity is setting a hard road to follow for Gordon Hill, the stainless commercial manager and his newly-augmented sales staff. Yet there is great confidence at the Sheffield sales offices that new business can be won at home and abroad to absorb the extra output.

One lucky break for British Steel has been the Parliamentary decision in favour of the Windscale nuclear waste reprocessing facilities. That single project which will use stainless steel at a rate never seen before in Britain. Indeed, it is one strategic reason why the stainless investment was sanctioned originally.

Orders are now being placed for stainless steel for some of the first items of the £1bn Windscale project by British Nuclear Fuels. British Steel expects to supply up to 5,000 tonnes a year. Had the new Sheffield tonnage stainless facilities not been ready much of that business would necessarily have gone to Sweden, France, and other stainless steel makers.

The confidence of the stainless steel salesmen that they can make the new plant work for its living is based upon the new positions Britain is about to occupy in the world stainless steel leagues. Henceforth British Steel will be one of the senior producers of stainless hot rolled coil. The U.S., Japan, West Germany, and Sweden will still be above Britain in actual tonnages being made. So in that market British Steel is restoring itself to a strong position rather than going out on a limb with additional capacity.

PROSPECTS

In the other big stainless steel trade—cold rolled sheet and coil—Britain will still only be sixth in the table of world producers. France, Italy, West Germany, Japan, and the U.S. all will continue to have bigger capacities.

One of the brightest prospects is the opportunity now open to British Steel to build up home sales in two ways. Imports will be displaced by the provision of adequate supplies of home-produced stainless at competitive prices and good quality. Also the market itself can be expanded by simply making more home-produced stainless available. Britain still uses much less stainless steel per head of population than almost any other advanced nation.

To Sheffield—where much of the pioneer work on stainless steel was done in the early years of this century—the Shepcote investment with its new electric furnaces and the compliacted installation of mills and finishing plants represents an important reaffirmation of the city as a world centre of special steels.

The site itself—actually two sites divided by marshalling yards—is within two miles of the city centre. Sheffield will not mind that, however, for equipment for extracting and cleaning fumes at every stage of the process is some of the most comprehensive ever installed by BSC.

The cleanliness of the works is remarkable. Heavy emphasis has been placed upon it, partly for environmental reasons and partly because the delicate nature of the product itself demands production without contamination. A trace of dirt can spoil the surface of a stainless steel sheet which has already passed through more than 10 different processes.

So the works is laid out in a way that gives a glimpse to other British Steel workers of the probable shape of things to come in the steel industry. Lawns are being encouraged outside the melting shop and trees have been planted.

British Steel is currently losing on average £25 a tonne on all its products and finds itself about half-way down the table of loss-making big international steel businesses. Clearly the new stainless complex will continue to be a drain in the early years as the heavy capital investment has to be serviced while sales and production are still being worked-up. But 1980–81, the year which Sir Charles Villiers, the chairman of British Steel, has set his managers as their target for returning to at least a "break-even situation," is also the year in which BSC Stainless is hoping to be achieving full production. From then on the stainless plants should be in a position to make an important contribution to BSC turnover and—more important—to BSC profits.

[From the Metal Bulletin, July 14, 1978]

BSC'S STAINLESS COMEBACK

Today the Duke of Edinburgh is to officially open British Steel Corp.'s £130m. stainless steel development programme which has been designed to put the UK back in the top half of the world stainless league. The scheme, undertaken by BSC Stainless, a profit centre of the Sheffield Division, represents a massive increase in capacity and is coming to the boil at a time of chronic over-capacity in the world stainless market.

The head of BSC Stainless, Derek Bray, described the project as the largest purpose-built stainless plant in the world and the biggest ever single injection of capital in stainless steel. The scheme will double BSC Stainless capacity by 1981 from 100,000 tpy to about 200,000 tpy, of which 50,000 tpy will be stainless plate and the balance CR sheet and coil.

The new plant at Shepcote Lane and Tinsley Park in Sheffield (the two sites are separated by a railway line) comprises, basically, a completely new melting shop, AOD vessel and continuous slab caster; two new Sendzimir CR mills together with additional processing and warehousing capacity; a new bright annealer; and additional plate finishing capacity (commissioned in 1977).

With the additional capacity BSC Stainless is hoping to double its share of the UK home market and expand exports. Gordon Hill, commercial manager, said he was looking for a 74 percent growth in the period 1976–81 and emphasised that BSC had not put in the new capacity irresponsibly. He said export manager Mike Gould had in the past four years secured good footholds in nearly every important overseas market. The profit centre had set up its own sales outlets in Germany (BSC Stainless GmbH based in Düsseldorf) and in France (BSC Stainless Sarl in Paris) and employed BSC's main sales outlets in the USA, Canada, South Africa and New Zealand. For other markets it had overhauled its arrangements with BSC sales agents.

Currently, BSC Stainless was exporting between 40–45 percent of its output and it was planned to maintain this percentage which would require it to double its sales overseas. The modern facilities now available, Hill continued, would enable BSC to be cost-competitive with the world's leading stainless producers. It will allow BSC to produce 1,525mm. wide bright annealed ferritic stainless for the first time and this will also assist it to develop new outlets.

BSC is pinning a lot of its hopes on increasing the level of consumption of stainless in the UK, which is running well below the European average. It is mounting a big advertising campaign in both the national press and trade and technical journals. It has hopes of increasing the use of the material in what it calls mundane applications like strapping and at the same time secure "large lump" business such as the Rover car bumper. Another area where it has high hopes is the car exhaust business which is being developed by the jointly-owned Grundy Auto Products.

The other side of its expansion plans at home is the regaining of a much larger share of the market (currently over 50 percent) held by imports. Hill was asked how other European producers would take BSC's plans to secure not only a larger slice of the UK market, at their expense, and at the same time expect a bigger part of their home markets. He replied that it was now accepted among EEC producers that they would have shares in each other's markets. (A description of the new development will appear in August's MB Monthly.)

Round Oak Steel Works has raised basis prices of non-alloy semis and rounds, squares and flats, effective July 9. The basis prices of wide flats are unchanged but certain extras are increased, as are extras for other bars. Quantity extras for structural sections have also been raised.

Spanish steel industry formed one topic at talks this week between a Spanish minister and EEC officials on the effects of Spanish entry to the Community.●

UTILIZATION CONTROL UNDER MEDICAID—CLARIFICATION OF CONGRESSIONAL INTENT

● Mr. HASKELL. Mr. President, in 1972 Congress enacted legislation which requires all States to have an effective program of utilization control to review the care of patients in nursing homes and mental hospitals under the medicaid program. The law also provided for the imposition of fiscal sanctions in the event that a State failed to comply with this statutory mandate.

Subsequent legislation clarified the conditions under which the sanction for noncompliance was to be applied. The interpretation of this statutory language has recently become an issue between the State of Colorado and the Department of Health, Education, and Welfare. In an attempt to resolve this issue, I have sought a clarification of congressional intent from Senator HERMAN TALMADGE, chairman of the Subcommittee on Health of the Committee on Finance and a principal author of the legislation. I ask that the correspondence between Chairman TALMADGE and myself with respect to section 1903(g) of the Social Security Act be printed in the RECORD.

The letters follow:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., August 16, 1978.

Hon. HERMAN TALMADGE,
U.S. Senator,
Washington, D.C.

DEAR HERMAN: The Health Care Financing Administration recently notified me that Colorado may be penalized federal funding

for its Medicaid program due to Colorado's alleged failure to comply with Section 1903 (g) of the Social Security Act. I consider such a penalty unwarranted and unnecessary at this time, for, to the best of my knowledge, Colorado is in compliance with the Medicaid program and has shown that it can and will comply with the provisions of Section 1903(g). As the Chairman of the Subcommittee on Health and a principal author of the Medicaid legislation, I think you would agree with me that the Department's interpretation of the statute is incorrect. Let me explain.

The problem grows out of the Department of HEW's interpretation of what a state would have to do to avoid the penalty prescribed in Section 1903(g). As you know, the Section requires each State to have an "effective" program of utilization control. An effective program must include an annual review of the care provided each patient in the State's Skilled Nursing Facilities, Intermediate Care Facilities, and Mental Hospitals. Additionally, each State must demonstrate every quarter to the Secretary the results of the ultilization control program. HEW alleged that Medicaid reviews in Colorado were inappropriately performed during the first three quarters of 1977 and that to come into compliance with the statute, the State would have had to reperform all reviews conducted during the first three quarters of the year.

My understanding is that the Congressional intent in passing PL 95–245 was to require States to come into full compliance for inspections regularly scheduled during the last quarter of 1977. States which met this obligation would be free from the risk of penalties for the first three quarters of 1977. Assuming that a State also continued to comply after the last quarter of 1977, then no penalties would be necessary in the future.

The State of Colorado made the same interpretation of PL–245 as I do and was never informed of the contrary by HEW during 1977. Indeed, HEW, through its own action transmittal (HCFA A.T. N. 77–106) which was sent to each State, supports this interpretation. Therefore, the State proceeded in good faith with the inspections originally scheduled for the last quarter of 1977 and the first two quarters of 1978. These reviews were completed in an appropriate manner within the framework of the Act. The State has not gone back to re-do the earlier allegedly deficient inspections because of this understanding of the intent of PL 95–245.

Hoping you agree with me that the authors of this legislation would not have intended that a State be penalized under these circumstances, I propose that we submit this letter and one from you as an official exchange of correspondence for the record.

With best wishes,

Sincerely yours,

FLOYD K. HASKELL,
United States Senator.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., August 16, 1978.

Hon. FLOYD K. HASKELL,
U.S. Senator,
Washington, D.C.

DEAR FLOYD: Thank you very much for your letter concerning the possibility of action by the Department of Health, Education, and Welfare against the State of Colorado for alleged failure to comply with the provisions of Section 1903(g) of the Social Security Act. As an author of Section 20 of P.L. 95–142 relating to this section and the applications of penalties thereunder, I certainly agree with your interpretation that HEW action against Colorado under the present circumstances would be inappropriate and not in keeping with the intent of the law.

In passing Section 20 of P.L. 95–142, we meant to give States an opportunity to wipe the slate clean of all penalties which might otherwise be assessed under Section 1903(g) for quarters falling in 1977 if they conducted reviews of facilities in conformity with the requirements of the law in the fourth quarter. We certainly did not intend to require any state to review all facilities in the state in one quarter because the review done in the previous three quarters was in some way insufficient.

There can be no doubt that the penalty being considered now would be counterproductive and could seriously undermine the state's ability to administer a Medicaid program for its low income citizens. No one wants this to occur, and I believe it can and should be avoided.

I understand that Colorado is now in full compliance with the law, and was in compliance for all reviews conducted during the final quarter of 1977, and, therefore, it is my opinion that no penalty should be applied.

I gladly submit to the Record these remarks along with yours as an official exchange of correspondence.

Sincerely,

HERMAN E. TALMADGE,
United States Senator.●

VETO OF MILITARY PROCUREMENT AUTHORIZATION BILL

● Mr. HATCH. Mr. President, today the President vetoed the fiscal year 1979 defense authorization bill. In announcing this decision the President listed four reasons for this veto:

1. The bill contains authorization for a fourth Nimitz-class nuclear carrier, which the Administration opposes;

2. The Congress has "paid for" this carrier by reducing Administration requests for operations and maintenance;

3. The Congress has "paid for" this carrier by reducing Administration requests for so-called "NATO" programs; and

4. The Congress has exacerbated inflationary trends by voting too much money for defense.

I think that the administration has acted unwisely in this action, and not in the best interests of the defense of the Nation. Coupled with the announcement earlier in the week that the administration intended to "whip back into line" those Members of Congress that have not cooperated, this appears to be another case of the administration trying to dictate to Congress what the Congress knows it must do.

In view of the four points that the President has listed, I think that they are without justification. A careful examination of each of these will show that these objections are without substantial evidence to support the claims:

First. It is true that the administration has never favored the construction of a fourth nuclear carrier in the *Nimitz* class. However, the Navy has consistently testified that they favor the action taken by the Congress. Independent analysis of the problem demonstrated that the actual cost of the nuclear carrier was the same as the conventional powered carrier. In a context of the whole shipbuilding program proposed by the Carter administration, the request was for $4.712 billion in fiscal year 1979, which was in fact $1.048 billion lower than the amount appropriated for fiscal year 1978. The Senate Defense Appropriations Subcommittee has appropriated $5.482 billion for the shipbuilding program during fiscal year 1979. Thus, even with the addition of a fourth *Nimitz*-class carrier, the SDAS has appropriated an amount for shipbuilding that is $278 million less than the amount for fiscal year 1978, although it remains some $770 million over the amount requested by the administration.

Second. It is apparent that the administration is still attempting to decipher the difference between the Congress and the Georgia State Legislature. The operations and maintenance function of the budget falls exclusively within the jurisdiction of the Senate and House Appropriations Committees and not the Armed Service Committees that passed the authorization bill. The facts remain that it is the Senate Defense Appropriations Subcommittee that has reduced the administration's fiscal year 1979 O & M requests. But even with that fact accepted, they have only reduced this amount by $417 million which amounts to only 2.3 percent of the total. This figure represents only 21.6 percent of the funds needed to "pay for" the new *Nimitz*-class carrier. The subcommittee has appropriated a total of $30.818 billion for O & M in 1979, which figures out to be an actual increase of 10.7 percent over the amount appropriated the previous year.

Third. This point is so vague that I find it difficult to understand just what the President is attempting to get at in this accusation. By stating that the Congress was robbing the NATO funds to pay for the nuclear carrier, it appears that the President is playing on the emotion of the American public. This particular Congress, and in particular the Senate, is extremely cognizant of the NATO mission and the need to strengthen the military commitment of the United States in Europe. It is for this reason that the fourth *Nimitz*-class carrier has been funded; thus allowing the NATO naval command to fulfill its obligation of maintaining control of the sealanes.

Fourth. This claim is completely without justification. The Senate appropriations Committee will apparently approve a figure that will be close to $1 billion below the amount requested by the administration. During the conference between the House and the Senate concerning the authorization bill, the total arrived at was $36.956 billion, which is only 3.9 percent over the administration's request.

Mr. President, once again I must state my surprise over the President's decision. There is no merit to his position, and I feel that he has been ill-advised to take such action. It smacks of a feeble attempt to find some catalys that will stimulate a resurgence of the administration's acceptability in the public opinion polls. I do not think that this is the method to accomplish this goal, nor do I think that the public will agree with the President. I stand firm in my resolve to vote to overturn this veto and urge my colleagues in both Houses of the Congress to do likewise.●

THE GAS COMPROMISE

● Mr. McGOVERN. Mr. President, I would like to call the attention of my

colleagues to an article that appeared in this morning's Washington Post regarding the so-called natural gas compromise. This article points out with great clarity the effects of this compromise on our Nation's millions of individuals living on fixed incomes. Specifically, low-income consumers and senior citizens in particular would be hard hit by the compromise agreement. Those in the lowest 10 percent of the income bracket spend almost 10 times as much of their income on home energy as those in the top 10 percent. Additionally, the serious indirect and residual impacts of rapidly rising gas prices indicate serious inflation and unemployment repercussions in the Nation's already unstable economy.

Mr. President, I ask that an article from the August 17, 1978, Washington Post by Kathleen F. O'Reilly entitled, "Immoral Gas Compromise" be printed in the RECORD.

The article follows:

[From the Washington Post, August 17, 1978]

"IMMORAL" GAS COMPROMISE

(By Kathleen F. O'Reilly)

In April 1977 President Carter urged the American public to embark with him on the "moral equivalent of war" against the energy crisis. It is clear now that war must be declared against the Carter energy package.

The administration and the Washington Post editorial "Illusions About the Gas Game" (Aug. 13) ignore the decidedly immoral and devastatingly anticonsumer effects of the natural-gas compromise. It will unnecessarily cost consumers tens of billions of dollars. By 1985 the average cost of gas would be at least 353 percent of what it was last year, 618 percent of what it was in 1975 and 1,608 percent of what it was in 1970.

Higher prices have been euphemistically justified by their proponents as incentives for production and conservation. Experience since 1970 demonstrates that even 100 percent price increases have failed to yield increased production. For billions of dollars more, we get less!

The Post's editorial considers failure of the compromise as a "failure of government" and a signal to the world that Americans do not care about a comprehensive energy policy. On the contrary, passage of this legislation would signal to the world that we are willing to sacrifice our most vulnerable citizens to appease the gas lobby.

Low-income consumers (and particularly senior citizens) would be the first casualties. The lowest 10 percent on the economic ladder spends a 10 times greater proportion of its income on home energy consumption than does the top 10 percent.

That is in part due to the condition of the housing they occupy. For example, insulation already exists in 94 percent of high- and moderate-income households but in less than half of the nation's poor households. Sixty percent of low-income households have no storm windows or insulating glass.

Declining block utility rate structures that charge low-volume users at a higher unit rate than high-volume users is also responsible for the disproportionate burden of natural gas price increases.

Any suggestion that residential users of natural gas (including 60 percent of all low-income households) can convert to other sources is brutally naive. Economically and practically speaking, conversion is not a viable option.

Undoubtedly consumers will be submerged with Madison Avenue slogans urging them to turn down their thermostats. For the 92 percent of the wealthy and upper-middle-class households that have heat control, that is an option. But what about the nearly 40 percent of low-income households who live in apartments that have no individual thermostats?

Low-income consumers will also be urged to equip their dwellings with better insulation, storm doors and storm windows, but will not have access to credit markets that would enable them to acquire the most efficient combination of weatherproofing, retrofit and insulation.

Low-income homeowners, community groups and government officials agree that rising utility prices and the condition of the housing stock have greatly contributed to the increased rate of mortgage defaults. Many low-income homeowners reported that their homes were like sieves, requiring a high temperature setting just to maintain bearable warmth. Inefficient boilers, damaged roofs and lack of storm windows or storm doors also played a major role in keeping utility bills at unaffordable levels.

The emotional price to senior citizens and low-income consumers is particularly high. In November 1977, a University of Michigan study predicted that last winter one out of five senior citizens would have to face the hard choice of paying his utility bills or eating.

Those people are victims of utility shutoffs, going for months without heat and becoming ill as a result—and in some cases freezing to death. Some families have been sleeping in their cars in the middle of winter because they were a few dollars short on the gas bill and were shut off.

Rising energy prices, which would be the product of the Carter package, would have other consequences:

Higher unemployment as increased spending on energy reduces aggregate demand for other goods and services.

Higher numbers of senior citizens forced to enter nursing homes or become wards of the state because they are no longer able to make ends meet on their meager fixed incomes (as a recent Michigan study confirms).

Increased health-care costs from poorer diets and colder living conditions.

Increased inflation in all production sectors (not just energy) because virtually all production, including agriculture, is energy intensive.

An even less equal distribution of wealth as the return on capital increases at a faster rate than the return on labor, and as property ownership among low- and middle-income consumers becomes less viable.

Increased political power for the already extremely powerful major oil and gas firms. Despite incomes they consider too meager for energy production, they have spent hundreds of millions of dollars advancing their positions on issues ranging from environmental policy to lower corporate tax rates. Further, the major oil companies will continue to use their enormous cash surpluses to purchase major non-energy firms such as Mobil's purchase of Montgomery Ward.

Worsening of the balance of trade. The price increases in domestically manufactured commodities would make them less attractive to the rest of the world and thus reduce exports.

Deregulation will only exacerbate these critical human problems, problems so callously ignored by the supporters of the compromise, who speak so confidently about foreign dependency and greater incentives for an industry that is already reaping unprecedented profits. Those who stand to loso the most are those least able to combat the industry lobbyists and champions. The president's current answer to the nation's "moral equivalent of war" is wracked with an immorality that is intolerable.●

RETURN OF THE ATLANTIC SALMON

● Mr. MUSKIE. Mr. President, it is always heartening to hear of a Government program which works, especially if the success is recorded in one's home State.

The success being achieved in the effort to clean up Maine's rivers is an outstanding example of how positive results can be achieved when the resources of the Federal, State, and local governments are joined with clearly directed private efforts.

I submit for the RECORD a letter and news and release describing the return of Atlantic salmon to the Penobscot River and Kenduskeag Stream in Bangor, Maine. The cover letter from Lester Al Decostle, New England regional manager of the American Forest Institute generously credits my efforts as instrumental in the success in Maine. Real credit, though, belongs to the people of Maine and the industries of Maine which have responded so positively to the Federal mandate to work toward fishable, swimmable waters.

The progress discussed in the American Forestry Institute news release is heartening but there is even more to the story. I continue to hear reports of regular landings of Atlantic salmon by commercial fishermen in the Gulf of Maine. There is not now anything approaching a commercial fishery for Atlantic salmon but this incidental landing in the process of fishing for other species offers the hope that Atlantic salmon may, in the not too distant future, provide new opportunities for commercial fishing.

The material follows:

AMERICAN FOREST INSTITUTE,
August 2, 1978.

Hon. EDMUND S. MUSKIE,
Russell Senate Office Building, Room #145, Washington, D.C.

DEAR SENATOR MUSKIE: Since one of your legislative goals has been to require fishable and swimmable water in our industrialized rivers, you would have enjoyed downtown Bangor in July where people were fishing—for Atlantic Salmon—and in the process, swimming, in Kenduskeag Stream.

As a prme mover in water clean-up legislation you must be pleased to see public and private efforts producing results like this. It hasn't been cheap, and I'm sure you have letters (some of them mine) complaining about the costs. But, you also deserve laurels for the results.

Here's a news story on this summer's salmon "experience" in Bangor, but there's one thing left out—I should have included you as one of the "institutions" instrumental in making it happen.

Best regards,

LESTER A. DECOSTER,
New England Regional Manager.

AMERICAN FOREST INSTITUTE,
Bangor, Maine, July 20, 1978.

IS THAT A SALMON UNDER THE BUS STOP?

In Bangor, Maine this third week of July you can catch a bus, a bank, or a salmon. Atlantic Salmon up to 30 inches long are swimming up Kenduskeag Stream between the new bank buildings and under the five bridges that span the stream.

Bangor would appear to be one of the few cities in the world where you can catch an Atlantic Salmon in the midst of downtown traffic.

Back of the nine-story Merrill Bank Building and under the bridge at the bus-stop young boys in blue jeans wade elbow-to-elbow with business-suited office workers wearing rubber boots, as spectators and game wardens watch the occasional taking of salmon weighing 12 to 20 pounds. Because the stream is tidal, no license is required, and some of the fishing methods used outrage the sensibilities of many salmon fishermen, moving them to propose that the stream be closed to fishing. The law does draw the line at clubbing, netting, and "jigging" (hooking by pulling a lure up sharply into a resting fish), and some arrests have been made.

The return of Atlantic Salmon to Bangor is a result of years of public and private efforts.

The first effort involved the Penobscot River, the main thoroughfare to Bangor for salmon. The seven pulp and paper mills on the 90-mile stretch of the Penobscot from Millinocket to the Atlantic Ocean have spent around $61 million on water pollution abatement facilities, and are spending close to $7 million per year operating those facilities. Most of the cities on the river also have water treatment plants with Old Town starting up this week and Bangor on line, except for one section awaiting federal funds. (Uncle Sam where are you?) Over 120 thousand people live along the banks of the Penobscot River—close to 84 thousand in the Bangor-Brewer and suburbs area.

A program of clearing obstructions, putting fishways on dams, and a salmon stocking program that started in 1966 have been the final ingredients for the return of the salmon.

Is this year's Atlantic Salmon fishing in Bangor only a one-time thing? According to Alfred Meister, Chief Biologist for the Atlantic Sea-Run Salmon Commission in Bangor, the fishing should continue to improve.

Presently, the commission is stocking approximately 300 thousand fish per year in the Penobscot River watershed. The salmon come from the Green Lake Hatchery near Bangor, with a $7 million expansion recently making it the biggest salmon hatchery in the world. According to Meister, a few fish returned in 1968, and by 1969 he knew we were on our way to an improved fishery. He hopes to be stocking 400 thousand to 500 thousand fish per year in the future. The biologist feels that the management of the river will be a put, grow, and take operation augmented by natural spawning and production. According to Meister, in most years, natural spawning would now keep salmon returning to the river, but stocking is still necessary to overcome the occasional year when dry weather conditions create low flows in the river, affecting natural reproduction. Meister feels that this may happen every decade or so.

Meister says there are now fishways or negotiable openings on all dams on the Penobscot, giving fish access to the headwaters. The old dams on Kenduskeag Stream have washed out, giving access to spawning areas on the Kenduskeag.

According to Meister, salmon are coming up the Kenduskeag through Bangor in large quantities this year because of a warm spell and decreased flow in the Penobscot River. Tidal flushing and groundwater in Kenduskeag Stream makes it cooler than the Penobscot, and thus attractive to salmon.

Approximately 70 percent of the salmon run has already come up the river, but there will be some fish coming in all summer with most of the run done in August. The spawning will be in mid-October ending by early November if the pattern runs true to form. Last year salmon were spawning under the Interstate 95 Bridge in the Kenduskeag at Bangor during the second week of October.

Salmon have been returning to the Kenduskeag for the last five to six years in reasonable numbers. They're attarcting attention in downtown Bangor this year, because of the unusually large numbers coming through the downtown area in midday.

The salmon are adding another dimension to water clean-up efforts. While watching the fish, many people became aware for the first time that there is a covered bridge spanning the Kenduskeag in the midst of the city; some people were moved to pull out some of the shopping carts, old tires, and hub caps that had been thrown into the stream and left there over the years; and people were using the handsome walkway that's been built along the stream, a walkway that has seen very little use before.

One of the goals set by the water pollution abatement laws was that of having "fishable and swimmable" water in our industrialized rivers. But, while we've been spending billions to meet these goals, people have grown used to driving far from the cities for their recreation, searching for their idea of "wilderness."

The "vanishing wilderness" appears to be returning under the bridges and behind the buildings of our towns and cities. Perhaps the presence of Atlantic Salmon in the midst of a small, Maine city will lead people to look at the land and water near their homes and offices again.

NOTE: Source of information on salmon program: Mr. Alfred Meister, Chief Biologist, Atlantic Sea-Run Salmon Commission, Building 34, Idaho Avenue, Bangor, Maine 04401, phone: (207) 947-8627.●

IN REMEMBRANCE OF BOB WARREN—AN ACTION CORPS VOLUNTEER

● Mr. STONE. Mr. President, this past May, Bob Warren, 26, a Daytona Beach, Fla., native stationed with the Action Corps—formally the Peace Corps—in Honduras, lost his life in a tragic truck accident. He was the son of Mr. Dan R. Warren and Mary Clegg Warren of Daytona Beach.

Although Bob Warren was in Honduras only 9 months, a library will be built there to honor him in Las Lajas, an isolated mountain village of adobe houses whose inhabitants still are living in a 17th century manner. The young people there want to learn, but do not have the books or other resources to help them. This library will have a special significance for the village, as Bob Warren was noted for his appetite for books. His love of forestry and his training of Honduran workers in forest inventory and management as well as his deep attachment to the people he came in contact with, will long be remembered.

I would like to take this opportunity to share a few of his father's sentiments concerning the Action Corps with my colleagues. I can think of no more appropriate reason for continued support of the Action Corps.

"You have no idea of how efficient this organization is and what tender care and concern each member expressed toward the Warren family during this very trying time. Julie Knight, of the Washington office, and Frank Almaguer, Director of the Peace Corps in Honduras, kept the family advised on a daily basis until Bob's body had been returned to us. Thereafter, they continued moral support to the family by very expeditiously handling all of Bob's personal affairs remaining to be accomplished in Honduras. I want you to know how much the Warren family appreciates the work of the Peace Corps. We hope you will support its ideas and its aims and especially give it the necessary funding it needs to carry out this vital work."●

ANNOUNCEMENT OF INTENTION TO HOLD HEARINGS ON USE OF EXPORT CONTROLS AND EXPORT CREDITS

● Mr. STEVENSON. Mr. President, the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs will hold hearings shortly on the use of export controls and export credits for foreign policy purposes.

The United States is suffering from escalating trade deficits and a deteriorating dollar, but U.S. exports are being subjected to new restrictions based on unexamined premises. If exports and the jobs they create are to be thrown to foreign competitors, Congress and the public should at least know why such action is in the national interest.

The Export Administration Act, which provides the basic authority for controls on U.S. exports, states that it is U.S. policy to use export controls for three purposes: to protect the domestic economy in short supply situations, to the extent necessary from a national security standpoint. and "to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities."

Recently all oil technology exports to Communist countries were placed under validated license control and made subject to National Security Council review. The step was justified at first as a reprisal for the sentencing of Soviet dissidents Anatoly Scharansky and Aleksandr Ginzburg. Later it was said that controls on oil technology exports would make it harder for the Russians to develop their oil resources, and the notion has been advanced that threatening Russian oil development will make the Russians more willing to agree to arms limitations or to remove some of the more repressive measures against internal dissidents. This extraordinary thesis deserves thorough analysis. It may not influence Russian policy. It may punish free nations more dependent on foreign oil than the U.S.S.R. And it plainly could deprive the United States of exports.

Export credits are also being placed under new restraints for "leverage" purposes. The Export-Import Bank is required by statute to obtain the views of the Secretary of State before providing loans or financial guarantees for U.S. exports. The State Department is presently holding up billions of dollars of U.S. exports, not because State has advised the Eximbank not to support the exports in question, but because State cannot decide what advice to give, and is delaying a decision, hoping thereby to exert leverage on the internal policies of the importing countries.

Mr. President, the United States is in danger of reverting to "leverage" in its

crudest, least effective form. The notion that trade can be manipulated to serve foreign policy objectives is ancient, seductive, and not altogether fallacious. But the leverage trade and credits can provide will be gained through subtle and flexible employment of such instruments in support of U.S. policy objectives, using carrots as well as sticks I sense that the United States is talking loudly and carrying a small stick.

Leverage rejects a dangerous illusion when it attempts to exchange specific exports for specific political actions. Foreign governments are not likely to release political prisoners or grant freedom of the press in exchange for submersible pumps or hydroelectric generators. They might condition their behavior upon the expectation of an evolving and mutually beneficial economic relationship.

The subcommittee hearings will examine closely the assumptions which underlie reactive impulsive restrictions on U.S. exports and other commercial transactions and their effects on U.S. economic and political interests. Among the issues considered will be the following:

Where in the administration will the decisions be made on the foreign policy implications of exports—the State Department, Defense Department, Commerce Department, or the National Security Council?

What is the most effective way to insure that export controls and credits consistently serve U.S. foreign policy and economic interests?

Will foreign competitors supply the goods, services, and farm products if U.S. firms are prevented from doing so, or made to appear undependable, because of denials of export licenses or Eximbank credits?

Can U.S. trade be used effectively as an "on-off" lever to secure Soviet cooperation in Angola, the Horn of Africa, the Middle East, the arms limitation talks, and elsewhere?

Is it in the U.S. interest to inhibit or to threaten to inhibit the development of the oil resources of the Soviet Union? What effect would such action have on overall United States-Soviet relations, as well as arms control, the Middle East, the treatment of Soviet dissidents and the world economy?

On what grounds has the Department of State advised the Export-Import Bank to refuse financing for exports to Argentina?

Are export controls on sales to Communist China being liberalized for foreign policy reasons? Why are exports being licensed for Communist China which have been denied to the Soviet Union?

Dates and room locations for the hearings will be announced in the RECORD soon. Persons interested in testifying or desiring additional information concerning the hearings should contact Robert W. Russell, Counsel to the Subcommittee on International Finance, at (202) 224-0819.●

OPPRESSION IN THE SOVIET UNION

● Mr. PELL. Mr. President, in a recent editorial entitled, "A Tale of Two Cities," the Newport Daily News reflected on the disappointment of old time liberals concerning the continuing tyranny and neglect of human rights in the Soviet Union. In recounting and commenting on the disillusion of liberal visionaries over the chasm that has developed between the promises of Communist leaders and the reality of what they have produced, the Daily News suggested that the answer to what went wrong in the Soviet Union could be found in the history of two cities—St. Petersburg and Moscow—hence the title for the editorial.

St. Petersburg—now Leningrad—symbolized the promise of Western-style liberalization. The city was built by Peter the Great as his window on the West and was the site of many experiments in at least elements of Western Government. Moscow, on the other hand, symbolized the inward-looking medieval Russia. Just as Moscow won out over St. Petersburg as the seat of government of the Soviet regime, so also did the repressive medieval ways of old Moscow come to characterize the nature of the new Soviet state.

The Daily News concludes that Russian communism was oversold as the newest of the waves of the future and that it has proved to be just another disguise for tyranny and just another medieval political system. I agree with this conclusion; and in order that my colleagues may have the benefit of the historical analysis of the Newport Daily News, I ask that the full text of the editorial of July 27, 1978 be printed in full in the RECORD.

The editorial follows:

A TALE OF TWO CITIES

One of the great disappointments of old time liberals is the continuing tyranny and neglect of human rights exemplified by the Soviet Union. This was supposed to be the society of the future, a society based on workers receiving the fruits of their labor, a society especially concerned with human rights.

Many of these leftist visionaries rationalized the cruelty of the Stalin era as being an aberration—the product of a mentally sick and sadistic dictator. This was confirmed in their minds by Nikita Khrushchev's astonishing arraignment of Stalin as a monster. Ah, at long, long last, Soviet society would fulfill the dream of Marx, Engels and Lenin. It would become a more open society, a much fairer one. The Soviet state finally would usher in the promised Brave New World.

But somehow, the Soviet leaders, Khrushchev himself and his successor Leonid Brezhnev—have not delivered on the promise. Soviet society has become even more oppressive under Brezhnev, even less sensitive to human rights, Alexandr Solzhenitsyn told us in the "Gulag Archipelago" that the nightmare of Stalin's concentration camps never really has ended in Russia. The treatment of people wishing to emigrate, the trials of those who even hint at Soviet government failures, the touchy reaction to President Carter's critique of oppression in the Soviet Union, all attest to the truth of Soviet brutality.

What went wrong?

We submit that a detached historical look at the Russian experience since Peter the Great at the start of the 18th century would provide important answers to this question. The study even might be called "A Tale of Two Cities" (with apology to Charles Dickens).

The two cities are St. Petersburg (renamed Leningrad by the communists) and Moscow.

When Peter the Great assumed the Russian throne, he realized that the country was backward, that if it ever were to progress, it would have to become westernized. Shortly after become tsar, Peter's army took a beating from the Swedish army of Charles XII, who ruled a nation of fewer than one million souls.

Peter himself spent some time in The Netherlands learning about the West. On his return, he reformed the army and made some changes in the government. Even more importantly, he built a vast new city in the extreme northwest of the country, named it after his patron saint and namesake, and made this new city, St. Petersburg, the capital of Russia. Peter never did understand western ways, and many of his reforms were merely formal, devoid of the spirit of the West. But the important thing is that he tried to westernize Russia, that he took the first steps to bring that vast land into true communion with the other western states.

Starting with Peter, the tendency in Russia was to modernize, although to anyone impatient with anything less than instant success, the progress must have been excruciatingly slow. And there was backsliding. Russia remained essentially an autocratic monarchy. Some tsars like Paul, Alexander I in his latter days, Nicholas I and Alexander III ruled in the best tradition of Ivan the Terrible and worse.

But Alexander I in his earlier days had some liberal inclinations, Alexander II did free the serfs and Nicholas II ruled over a country that finally had a rudimentary parliamentary system, complete with several political parties (including the communists—the Bolshevik wing of the Social Democrats).

Can anyone imagine the communists of Brezhnev, 60 years after the Revolution, allowing other than orthodox communists to sit in their parliament? Can one imagine Brezhnev permitting supporters of the tsar to sit in his parliament?

Actually, Russia was liberalizing under the last tsar, Nicholas II. Had Russia not suffered a disastrous defeat in World War I, it is conceivable that it might have evolved into a constitutional monarchy some day. Ironically, its very defeat may have been brought about by its acceptance in the western community of states. Russia, like most of the other leading nations caught up in World War I, was part of the western alliance system. It was deep in Balkan politics, and was accordingly dragged into the war that brought about the downfall of the monarchy and led to the communist triumph.

For a short while after the fall of the last tsar, an attempt was made to transform the Russian state into a democratic republic. But lacking experience in democratic and parliamentary give-and-take, the governments of Prince Lvov and Alexander Kerensky proved ineffectual. It was into this vacuum that Lenin and his Bolsheviks moved, and created their dictatorship of the proletariat.

Now, this dictatorship really had nothing in common with liberal philosophers like Tolstoy and politicians like Kerensky who hoped to modernize their country politically, socially and materially. The dictatorship of Lenin and his successors was inward looking, regardless of the propaganda they exported.

The capital was moved from St. Petersburg (renamed Petrograd and then Leningrad) back to the ancient Russian city of

Moscow. And the new ruler of Russia (now called general secretary of the Communist party, rather than tsar) became as much the master of the Russian people as any tsar of the 250 years before Peter the Great. Communism, the new religion, was exactly what the communist dictator said it was. The supreme sin was to deviate from the doctrine as officially expressed.

This was pure traditional Russian practice with a vengeance, called caesaropapism in the time of the tsars—the man who ruled Russia was the official keeper of the faith. So it became under Lenin, Stalin and Khrushchev, and so it remains under Brezhnev. The relatively free (and we must stress the word "relatively") politics of Nicholas II's time was and is no more.

Russian communism, oversold as the newest of the waves of the future, has proved to be another disguise for tyranny. Termed essentially economic by its advocates, it is just another medieval political system. Only the names and the titles have been changed to confuse the innocent. Moscow, its capital, is more symbolic of the reality of communism than St. Petersburg, Peter the Great's Window on the West, ever could have been.●

INFLATION THROUGH THE EYES OF A 9-YEAR-OLD

Mr. GRIFFIN. Mr. President, no issue is of greater concern to the American people than the problem of inflation.

Recently, I received a very perceptive letter about inflation from a constituent in Ann Arbor, Mich., the home of one of our greatest centers of learning, the University of Michigan.

The letter was very special. It did not come from a professor of economics; it came from an astute 9-year-old young lady, Jessica Porter.

Actually, the letter was addressed to President Carter. Jessica was thoughtful enough to send me a copy.

Here is what she had to say:

DEAR MR. CARTER: There is a major problem going on, It is Inflatoin. I'd like to try to solve that problem. Here is my side of the story: You and congress keep making money so it isent as valualbe. The prices of things in the store go up but working peopl wagess do not so they can't buy as much as they need. I am trying to prevent this and would like to here your side of the story. Please write back and tell me your side of the story.

Sincerely,

JESSICA PORTER.

P.S. I'm 9.

Jessica may be young, but she is very wise.

Like Jessica, I would like to hear the President's side of the story.

USDA WINS AUGUST "GOLDEN FLEECE" AWARD

Mr. PROXMIRE. Mr. President, I am giving my Golden Fleece Award for August to the U.S. Department of Agriculture (USDA) for spending Federal tax dollars to exercise confined pregnant pigs on a treadmill and to relieve their boredom and psychological stress.

As an avid jogger myself, I think we need more joggers in this country but spending Federal funds on this "hog jog" is going too far.

And even though we humans are being psychoanalyzed more than ever these days, that is no reason to start putting pregnant pigs on the psychiatrist's couch instead of in the farmer's barnyard—especially at taxpayer's expense.

The folks at USDA went hog wild on this one. As a result, the taxpayers may get stuck with a pig in a poke.

Mr. President, as Senators know, I make monthly Golden Fleece Awards for the biggest or most ironic or most ridiculous example of wasting Federal tax funds. These monthly awards are followed by a "Fleece of the Year" winner in late December.

I should point out, too, that I am a member of the Senate Agriculture Appropriations Subcommittee, which oversees USDA's budget.

To help explain the irony that lies at the heart of this month's award, let me point out, first of all, that raising pigs in confinement is, according to USDA, the method used in perhaps as much as 40 to 50 percent of this Nation's hog production. But two separate issues need to be considered in looking at the confinement system: first, the marketing of pigs, and second, their breeding and gestation periods.

This confinement approach has some recognized advantages when it comes to marketing pigs. These include, for example, the more economical use of land, mechanized feeding, getting pigs fatter faster, and possibly cutting down on the disease rate.

Purely incidental to the raising of pigs in confinement is their breeding in confinement. And when sows are bred in confinement and kept there during the gestation period, it is not at all clear what advantages may result. We know, for example, that a bigger litter is not produced nor is the weight-per-pig increased.

But once the USDA-funded researchers decided to study pigs in confinement, all kinds of problems developed for the pregnant pigs that are a part of the experiment, including lack of exercise, boredom, and psychological stress.

To try to offset these problems, Federal funds were—and are still being—spent on an exercise treadmill and, to quote from USDA's research project description:

To identify methods of reducing psychological stress & boredom of the tethered sows during gestation.

All of this leaves us very much in the world of George Orwell. In fact, it links the title of one of Orwell's works—"Animal Farm"—with the thesis of another—"1984."

It may well be that raising hogs in a confinement system is the wave of the future. As I have said, it is already used, according to USDA, in producing a substantial percentage of the hogs in this country.

But what USDA is doing in this study is both ironic and ridiculous. First, it puts pregnant pigs in confinement. And then, it spends Federal tax dollars to try to ease the burdens produced by this confinement.

I am not questioning the economic and other advantages of the confinement system in getting pigs ready for market. And whether or not there may be positive effects when it comes to breeding and the gestation period is perhaps open to some debate.

But just how far do we want to go? What would the next steps be? Perhaps Federal funds might go to paying for the services of a psychiatrist to examine our tense and stress-laden pigs. Or someone might want to look into whether or not too much treadmill exercise for pregnant pigs is bad for their health.

The total amount of Federal funds being spent on this research is not in the stratosphere. It is a 5-year project that will involve perhaps as little as $5,000 of the Federal taxpayers' money to study the exercise, boredom, and stress issues. Other concerns are being addressed in the overall study. State funds will make up the bulk of the total expenditure along with some initial support from private industry.

I am not saying this research should not be done at all. Perhaps some good will come of it.

But there are enough questions in my mind about the use of Federal tax dollars to help pay for this study to convince me that—whatever the number of dollars involved—USDA deserves the "Golden Fleece" award for August.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. Yes.

Mr. TOWER. Is the Senator from Wisconsin assured that this experiment may not result in higher productivity for hogs or, perhaps, a better yield, dressing out at a higher precentage and all that sort of thing? Is there any consideration given to that?

Mr. PROXMIRE. We have given very careful consideration to that, yes, indeed.

What has happened, of course, is that farmers have found by confining pigs they do get better production, and that is fine. But to determine whether or not they can work with pigs to reduce their boredom and find out if they can change their psychological attitude, it seems to me they are going too far. I would not object if there was a matter of psychoanalyzing people, because if there is one area which I think is highly questionable for the expenditure of anybody's money, whether it is the private citizen's money or the taxpayer's money, it is psychoanalysis.

So I am opposed to psychoanalyzing these pigs. I think we have a better use for our money. I know in Texas they have all kinds of ideas, but even in Texas they would be opposed to putting pigs on a treadmill and seeing how far they can jog if they are pregnant.

THE THIRD SENATE OFFICE BUILDING

Mr. PROXMIRE. The House of Representatives was absolutely correct in knocking out supplemental appropriations for the outrageous third Senate office building. The Senate should agree to this virtually unprecedented interference with a Senate prerogative. We should recognize that on this issue the House spoke with far greater objectivity. The Senate was obviously overwhelmed

with the prospect of its own luxurious benefits.

Many people question the propriety of one House voting on matters which directly concern only the other House since in the past congressional courtesy has demanded that one House defer to the other in such matters. It is high time to end such a ridiculous precedent.

We are concerned here with spending huge sums of the taxpayers' dollars, and the House of Representatives has every right to step in where it sees that the interests of the taxpayers are being flouted by the Senate.

I hope that the Senate will concur with the overwhelming vote of the House on this matter. I will support the House position.

Senate opponents of this move will doubtless point out that all Members of the House are up for reelection this year and claim that this is a political issue. It sure is a political issue. The Congressmen who are up for reelection are well aware that the voters around the country are dead set against such extravagance on the part of the Senate. Their vote reflects that popular feeling, and the Senate should listen and learn.

I think few Senators realize how this has affected the country. When I was out in my State last weekend, I was at the State fair, and at least a dozen people came up to me and said, "There is one issue, PROXMIRE, we agree with you on, and that is not wasting money in the Senate."

Mr. ROBERT C. BYRD. Mr. President, on the matter of the Hart Office Building, if the Senator will yield——

Mr. PROXMIRE. I yield.

Mr. ROBERT C. BYRD. The Senate, I think, acted to correct its earlier mistakes when it put a ceiling on the amount of money we spent on that building. I do not like the fact that mistakes were ever made, and when Congress makes a mistake, of course, everybody knows it, and that is appropriate.

But there is such a thing as comity between the two Houses, and I hope the House will reconsider at some point the action it has taken with respect to the Hart Office Building. I do not think there is any argument but that there is a need for additional space. There is, of course, no justification for the frills, and I do not stand here to justify them. I think the mistakes were made early on in respect to the Hart Building. But the Senate attempted to rectify the mistake the other day by putting a ceiling on it. That does not gainsay the fact that there is a need for additional space, and I do not think the House should have acted as it did with respect to the Senate building. There is such a thing as comity between the two Houses.

May I say that while I find no fault with the distinguished Senator from Wisconsin (Mr. PROXMIRE) who takes the position that he has, I still do not think the House should have taken the action that it did. If the Senate has made mistakes, then the Senate will be held responsible for its mistakes, and the people will hold them responsible for their mistakes.

But so far as I am concerned, I am sorry that the House took the action that it did, and I hope it will think about it in due time, because if we begin the business of this body taking cuts at the other body and the other body taking cuts at this body, then I am afraid we will have disturbed the comity that needs to exist between the two bodies.

It is the Senate's judgment, I think, to act on what its needs are as to space, as we have always felt the House was in better position to make a judgment as to what its space needs were.

I must say that the viewpoint of the Senator from Wisconsin in complimenting the House on its actions, is not shared by this Senator.

Mr. PROXMIRE. Mr. President, I expected the majority leader to take that position, and I understand it fully. I think as majority leader that is a sensible and logical position to take.

I think, however, that the notion of comity between the House and the Senate—that is the Senate never under any circumstances challenging what the House does with its spending money on its own operations, and the House acting similarly—is something that has been honored for many years, ever since I have been in the Senate, for more than 20 years.

But again I think that principle is wrong. I recognize the view of the majority leader and I think it is probably a majority view in this Chamber and, perhaps, it is a majority view in the House on most things.

But I feel we have a responsibility to the taxpayers. Whether the money is spent by the Senate or by the House we vote on it and, I think, therefore, we have the right to complain about what they spend and they have a right to complain about what we spend. But I certainly honor the majority leader for his statement.

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

Mr. PROXMIRE. I yield to the Senator from South Carolina.

Mr. THURMOND. I do not want to get into a dispute here between the distinguished Senator from Wisconsin and our distinguished majority leader, but I want to commend the Senator from Wisconsin for the position he has taken.

Mr. ROBERT C. BYRD. Mr. President, there is no dispute between the Senator from Wisconsin and the majority leader, no dispute.

Mr. THURMOND. Well then, the discussion. I will change the verbiage.

Mr. ROBERT C. BYRD. All right.

Mr. THURMOND. I just want to state that, although it may have been the policy here throughout the years for each body to respect entirely the expenditures by the other body, I have often wondered how one body could have any check at all on what is being spent here in Congress unless it does come down and have some check on the other body.

It seems to me in a matter as important as a building that is going to cost at least $131 million that either body ought to have some say as to what, regardless of which body, that building is to serve.

Furthermore, I want to associate myself with the remarks of the distinguished Senator from Wisconsin on this building. It is my feeling, and I have said so for years, that the Federal Government should get out of so many jurisdictions, turn the Federal money over to the States, and they will run these projects more efficiently and more economically, and we could close a lot of buildings here in Washington, eliminate thousands of employees and subsequently eliminate thousands of retirement payments and, in that way, we will not need as many staff members as we now have here in the Senate or in the House.

I think the Washington Government has gotten entirely too big. It is my judgment that people back in the States of Wisconsin, West Virginia, South Carolina, or any other State are just as smart as the people are here in Washington, and that they can direct these projects and operate them more efficiently, and should do so. Then we can release a lot of the employees we have, not only in the bureaucracy here in Washington, but also in congressional staffs.

For that reason, I commend the able Senator from Wisconsin upon his position in this matter.

Mr. PROXMIRE. Mr. President, I thank my friend from South Carolina. He is absolutely right. He has been here for many years, more so than most Members of the Senate, and has——

Mr. ROBERT C. BYRD. Let me ask both Senators, why did they not raise a finger when the House spent a horrendous amount, a totally egregious sum for the Rayburn Building?

Mr. PROXMIRE. The Senator asks a good question. I should have done so, and I wish I had.

Mr. ROBERT C. BYRD. I would like to see a comparison of the cost per square foot of the Rayburn Building as opposed to our building. I raised no question at the time, but suppose the Senate had decided it would cut out the funds for the Rayburn Building. Did the Senator from Wisconsin lead the attack on the Rayburn Building? Did he offer an amendment to do that?

Mr. PROXMIRE. The Senator from Wisconsin was in gross error in not offering such an amendment. I wish I had. This precedent had not been broken at that time. It should have been. I think that was a tremendous waste.

I think we could probably go to conference and get back the Hart Building the way it is, but I would hope we could cut it down in conference. We still have all kinds of unnecessary expenditures over there, including marble, a gym we do not need, and a number of other things that we should cut back, and I would hope, in a spirit of compromise, they would do so. But the Senator from Wisconsin was wrong in not offering an amendment to cut out the funds for the Rayburn Building. I should have done so, and I wish I had.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. ROBERT C. BYRD. I certainly have no quarrel with the Senator's suggestion, and I hope that might be done. I am simply saying that the House, in my

judgment, should not have stricken the funds for the Senate office building. It is up to the Senate to rectify its own mistake. The Senate knows what its space needs are, and I do not think the Senate should be subjected to that kind of inconsideration of comity, the spirit of comity that has long existed between the two Houses.

Mr. PROXMIRE. If the Senator will yield on that point, the difficulty is that when we deal with ourselves, with our objectivity.

After all, it is our own space and our benefit and our luxury we are viewing. The House can take a more objective view, and in this case they did.

Mr. MATHIAS. Mr. President, will the Senator from Wisconsin yield to me?

Mr. ROBERT C. BYRD. Well, I was going to ask the Senator from South Carolina, at the time the House was considering the funding for the Rayburn Building, if he made an effort to reduce the amount.

Mr. PROXMIRE. This was the comity again. I thought we could not.

Mr. ROBERT C. BYRD. It seems to me it would have made a good political speech at that time in South Carolina to be able to say, "I offered the amendment, I voted for the amendment, I wanted to cut out that Rayburn Building; what a colossal waste of the taxpayers' funds."

I should think one would have been in a better position doing that than to stand up now and commend the House for the action it has taken. I say if the Senate has made a mistake, the Senate ought to correct it.

Mr. PROXMIRE. I criticized the Rayburn Building at the time, and did so vigorously, but I admit I did not try to stop it on the floor, because as far as I knew there was no way to do it, and I do not believe the Senate could have accomplished that at that time.

Mr. ROBERT C. BYRD. I want to commend the Senator from Wisconsin for his efforts over the years to cut out waste in Government. May I say that nothing I have said was meant to detract from the good work he has done, and I certainly share his view as to the mistake that the Senate made in the beginning. We made a mistake, and I think we ought to admit it. But I still think there is such a thing as a spirit of comity between the Houses that, in the final analysis, is beneficial to the people of this country. If we get into the business of tit for tat, the Senate might get into the business of cutting funds for employees on the House side.

Mr. PROXMIRE. Might not be a bad idea.

Mr. ROBERT C. BYRD. Then, in retaliation, the House might cut funds for Senate staff, and it could go from bad to worse.

I hope the House will reconsider what it has done, and correct what it has done.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. I yield to the Senator from Maryland.

Mr. MATHIAS. The Senator from Wisconsin has been leading us in making confessions of error here tonight, right on down the sawdust trail to the mourner's bench, in which the majority leader has joined, and I want to join them on that sawdust trail to the mourner's bench and join with them in confessing error.

I voted against the Senate office building. We did not have a Senate office building when I came here 10 years ago to the Senate and faced the problem of space, and the inefficiency involved in the lack of space; and I want to associate myself with the Senator from Wisconsin in saying that I am very conscious of the error I made. Where the conditions of crowding are so bad it has to be uneconomical, because the fine staffs that we have are not able to work at their highest efficiency, and I think in voting against additional space we have not served the people well.

So I want to say, while sitting on the mourner's bench with the Senator from Wisconsin and the Senator from West Virginia, that I, too, made an error, and that was in voting against the Senate office building.

I do not want to prolong my confession, but I am right down there on the sawdust trail with them.

Several Senators addressed the Chair.

Mr. PROXMIRE. I wish to agree with the Senator from Maryland. I think he is right in being on the mourners' bench, all right, but I think he was probably right the first time but wrong the second time.

Mr. RANDOLPH and Mr. TOWER addressed the Chair.

Mr. PROXMIRE. I yield to the Senator from West Virginia (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, it is very important that the RECORD reflect that we are referring to 1972 in connection with the action on the Hart Building. Is that correct?

Mr. PROXMIRE. I was referring fundamentally to the action of the House today in voting against the additional funds over the $85 million we have already provided for the Hart Building.

Mr. RANDOLPH. I so understand.

Mr. PROXMIRE. They amended that.

Mr. RANDOLPH. I think the RECORD, though, should show certain additional facts in connection with the authorization of the Hart Building in 1972. The size of the building, as authorized by our committee at that time, was one-half of the size it has become, and about one-third the cost. We acted in response to the pleas of many Senators about the crowded and unsatisfactory conditions in which they had to work. The additional cost with which we are faced today resulted from subsequent enlargement, design changes, construction delays, and inflation.

Mr. ROBERT C. BYRD. I would imagine my senior colleague might have some information on the cost of the Rayburn Building as well.

Mr. PROXMIRE. The trouble is that the Architect's Office, in 1964, said the cost of the Rayburn Building was about $60 a square foot. Now they are saying it was something like $138 a square foot on that building. I suppose they are adjusting for some kind of inflation factor, but I believe they are overadjusting.

Mr. TOWER. Mr. President, I have a good suggestion. It seems to me we should check the voting record in the House on that amendment, and that any of those House Members who happen to get elected to the Senate should be identified and lodged in the Carroll Arms.

THE VETO OF THE MILITARY PROCUREMENT AUTHORIZATION

Mr. PROXMIRE. Mr. President, decision to veto the fiscal year 1979 military procurement authorization bill will actually strengthen our national defenses.

The President, Secretary of Defense, and Secretary of the Navy all have said that they did not want to spend $2.4 billion on a new *Nimitz*-class aircraft carrier (CVN–71). Yet the Congress forced this money on the executive department in the authorization bill and likely would have done the same in the appropriations bill.

This expenditure for another large aircraft carrier makes no sense. Here is why:

First, the carrier puts all our resources in one ship and starves other shipbuilding programs. At $2.4 billion, this one ship, which will not be at sea until 1987, takes 40 percent of the shipbuilding budget. Our fleet of warships has been cut in half the last 20 years due to the overemphasis on large expensive ships. Every large carrier means fewer ships in our Navy.

Second, the $2.4 billion is just a small downpayment on the final tab. A carrier needs aircraft at a cost of $1.5 to $1.8 billion. And it must have escort ships to protect it. Two or three nuclear escorts for the CVN–71 would cost $1.5 billion each or as much as $8.7 billion. And then we must add in the costs to man and operate this huge vessel. Over 30 years the full costs of the CVN—not counting escorts—would be $18 billion in uninflated dollars.

Third, this huge investment is the most vulnerable target afloat. In either a conventional or nuclear war, the large carriers would not be able to operate near land masses with hostile air forces. This rules out the carriers in the Mediterranean, North Sea, and Northwest Pacific. But these are precisely the areas where we need naval strength during a war.

Mr. TOWER. Mr. President, will the Senator yield at that point?

Mr. PROXMIRE. Just a minute. The carrier is vulnerable to land-based aircraft, sea-launched missiles from submarines and surface combatants, air-launched missiles, torpedoes, and new supersonic bombers such as the Backfire. Furthermore, Russian radar satellites can do a pretty good job of pinpointing just where our carriers are at any time.

Fourth, just as it took time to realize that the battleship was the dinosaur of the seas, so now it is time to start building a new Navy with smaller, less vulnerable and more maneuverable ships. The carrier has a role to play at sea but even without the CVN–71, the 11 remaining carriers are more than adequate for any

possible requirements. In the meantime, we need to emphasize the less expensive more survivable forms of naval power.

I am happy to yield to my good friend from Texas.

Mr. TOWER. The Senator is in error on the vulnerability of the aircraft carrier. The aircraft carrier is the least vulnerable ship at sea with the exception of the submarine, and it is less vulnerable than the submarine once the submarine has been detected.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. In view of the interruptions, I ask for 5 additional minutes. Mr. President.

Mr. ROBERT C. BYRD. I ask the Chair to recognize me.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. The Senator from Texas is absolutely right in a conventional war, but in a nuclear war that is as vulnerable as you can get. This is a ship as long as three football fields end to end, going about 40 miles per hour at full speed. It is like hitting a bull in the butt with a bull fiddle, as Senator Symington used to say. You cannot miss it. Even in World War II we found our aircraft carriers were put out of commission so they were not able to operate for many, many months at a time. Under the present circumstances, with nuclear weapons, this is a very, very vulnerable weapons system.

GENOCIDE CONVENTION UPHOLDS CRUCIAL CONSTITUTIONAL PRINCIPLES

Mr. PROXMIRE. Mr. President, the Constitution of the United States and its amendments are the fundamental law of our country. Throughout American history, the Constitution has guided our policies and our practices.

Why? Because the Constitution embodies the rights for which the United States was created. The fundamental values of the American people are enshrined in its articles. Our democratic heritage and our contemporary leadership of the free world are inextricably linked to this crucial document. Both our domestic and our foreign policy have been shaped by the Constitution. All of our actions, as lawmakers and as citizens, are examined in its light.

One foreign policy issue, in particular, merits close constitutional scrutiny. I am speaking of the United Nations Genocide Convention. Does the Genocide treaty uphold our fundamental constitutional principles? Will its ratification further the cause of human rights which our Constitution represents? Yes, Mr. President, unquestionably it will.

The 14th amendment to the Constitution contains an important section which has come to be regarded as one of the primary characteristics of our free and democratic society. I quote:

No State shall make or enforce any law which shall abridge the privileges and immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law;

What does the 14th amendment guarantee? Security, Mr. President. The right to live without the fear that one will be imprisoned or one's property seized at the whim of a corrupt government or a tyrannical ruler. More importantly, it protects each American life—it safeguards the right to live.

And what is the Genocide Convention about, Mr. President? Life—the right to live. By defining and punishing the crime of genocide under international law, the treaty helps to guarantee to every citizen of the world the right to live securely. They shall not be deprived of their lives without the due process of law.

Mr. President, the U.S. Constitution protects and guarantees the right to live to every American. It is time that we acted to help extend our constitutional freedoms around the world. It is time that we ratified the Genocide Convention.

DIPLOMATIC RELATIONS ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 1028.

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

The legislative clerk read as follows:

A bill (H.R. 7819) to complement the Vienna Convention on Diplomatic Relations, which had been reported from the Committee on Foreign Relations with amendments and from the Committee on the Judiciary with amendments to the amendments.

The amendments of the Committee on Foreign Relations are as follows:

On page 4, beginning with line 5, strike through and including line 13, and insert in lieu thereof the following:

SEC. 5. Any action or proceeding brought against an individual who is entitled to immunity with respect to such action or proceeding under the Vienna Convention on Diplomatic Relations, under section 3(b) or 4 of this Act, or under any other laws extending diplomatic privileges and immunities, shall be dismissed. Such immunity may be established upon motion or suggestion by or on behalf of the individual, or as otherwise permitted by law or applicable rules of procedure.

On page 5, beginning with line 18, insert the following:

SEC. 7. (a) That chapter 85 of title 28, United States Code, is amended by the addition of the following new section:

"§ 1364. Direct actions against insurers of members of diplomatic missions and their families; *actions against the United States*

"(a) The district courts shall have original and exclusive jurisdiction without regard to the amount in controversy, of any civil action commenced by any person against an insurer who by contract has insured an individual, who is a member of a mission (as defined in the Vienna Convention on Diplomatic Relations) or a member of the family of such a member of a mission, against liability for personal injury, death, or damage to property.

"(b) Any direct action brought against an insurer under subsection (a) shall be tried without a jury. *The said action shall be subject to the law of the place where the act or omission occurred*, but shall not be subject to the defense that the insured is immune from suit, that the insured is an indispensable party, or in the absence of fraud or collusion, that the insured has violated a term of the contract, unless the contract was cancelled before the claim arose.".

(b) The chapter analysis of chapter 85 of title 28, United States Code, is amended by adding after the item relating to section 1363 the following new item:

"1364. Direct actions against insurers of members of diplomatic missions and their families; *actions against United States.*".

On page 6, line 21, strike "7" and insert "8";

On page 8, line 2, strike "8" and insert "9".

The amendments of the Committee on the Judiciary are as follows:

On page 5, line 22, strike the semicolon and "actions against the United States";

On page 6, line 4, after "mission" insert a comma and "or an individual described in section 19 of the Convention on Privileges and Immunities of the United Nations of February 13, 1946";

On page 6, line 10, beginning with the period, strike through and including the comma in line 12;

On page 6, after line 19, strike "; actions against the United States".

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

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

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

Mr. SARBANES. Mr. President, the bill before the Senate, H.R. 7819, as amended, is the joint product of the Committee on the Judiciary and the Committee on Foreign Relations. I particularly want to thank Senators SPARKMAN, METZENBAUM, and MATHIAS for their contribution to shaping and moving this legislation forward.

This legislation would set down new guidelines for determining the immunities that the Government of the United States extends to foreign diplomatic personnel in this country. I very much welcome this bill. It deals with a problem about which I have been deeply concerned. It is a necessary complement to and consequence of the Vienna Convention on Diplomatic Relations, which entered into force with respect to the United States in 1972. In addition, it addresses the very serious problems which diplomatic immunity may on occasion cause the ordinary U.S. citizen or resident.

Such situations do not usually attract great national or international attention. Nonetheless they may affect individuals in the most serious, even calamitous way. This is a matter of special concern in the national capital area, where the vast majority of persons enjoying diplomatic immunity live and work. Statistically speaking, the residents of the District of Columbia and the adjacent areas of my own State of Maryland and of Virginia run a much greater risk of finding themselves involved in an accident in which the other party, even though he or she may be entirely at fault, enjoys absolute protection against any court action by virtue of diplomatic immunity status.

Diplomatic immunity grants freedom from criminal, civil, and administrative jurisdiction to all diplomatic personnel, their families and servants. A number of incidents have occurred in which foreign

officials, their families, or their employees have invoked that immunity to shield themselves from the consequences of acts which, if committed by anyone else subject to our laws, would have resulted in severe penalties. Perhaps the most dramatic of these incidents have involved automobile accidents in which American citizens not at fault have suffered enormous damage and injury but have been unable to collect any compensation whatever. The whole burden of the accident has fallen on its innocent victim.

The problem of the scope of immunity from criminal, civil, and administrative jurisdiction has been compounded in recent years by the growing number of persons who under existing law—and that law dates back to 1790—are entitled to immunity. Over the nearly two centuries that have elapsed since enactment of the statute the number of diplomatic missions has increased, their size has increased, and the categories of diplomatic employees have increased. The 1790 law extends full immunity not only to full-fledged diplomats but to administrative and service personnel within diplomatic missions and their families, and their personal servants as well.

H.R. 7819 represents a timely and practical revision of our diplomatic immunity laws. It would accomplish four important objectives:

First, it would codify the privileges and immunities provisions of the Vienna convention as the sole U.S. law on the subject. The Vienna convention provisions formally recognize three categories of diplomatic personnel and extend total immunity only to that relatively small number of persons who are bona fide diplomats. The number of persons enjoying full immunity would be reduced by well over 50 percent.

Second, it would repeal existing Federal legislation inconsistent with the Vienna convention.

Third, it would require foreign diplomats in the United States to carry liability insurance against risks arising from the operations in the United States of automobiles, vessels, or aircraft, pursuant to regulations.

Fourth, as a matter of Federal law, it would establish a substantive right of an injured or damaged party to proceed directly against the insurance company where the insured diplomat enjoys immunity from suit. This right would put an end to the anomalous and inequitable situation where an injured party is unable to collect damages even though the diplomat responsible may carry insurance, often at the insistence of his own embassy, because the claim of diplomatic immunity is invoked.

Mr. President, H.R. 7819 would modernize our anachronistic laws governing diplomatic immunity, and its direct action provision would provide an effective remedy in case of certain injuries or damage to private individuals. The bill as amended has been reported favorably and expeditiously by both the Foreign Relations and Judiciary Committees, and I urge its adoption by the Senate.

Mr. METZENBAUM. Mr. President, I am pleased to join my colleagues—Senator SPARKMAN, Senator SARBANES, and Senator MATHIAS—in supporting H.R. 7819, the diplomatic relations act. This legislation represents the cooperative efforts of the Committee on Foreign Relations and the Committee on the Judiciary.

On February 6, 1978, the Subcommittee on Citizens and Shareholders Rights and Remedies, which I chair, held hearings on H.R. 7819. The Foreign Relations Committee, chaired by Senator SARBANES, held hearings on May 24, 1978. This bill passed the House on July 27, 1978. Since then, it has been refined to take into consideration the testimony presented by witnesses before both committees. Both committees agree that H.R. 7819, in its present form, is an improved bill and should be adopted by the Senate.

The House of Representatives and the executive branch have also worked for the passage of legislation on diplomatic immunity. Since 1966, members of the Senate and House have repeatedly introduced legislation to repeal our antiquated statute and pass complimenting legislation to the Vienna Convention on diplomatic relations. The Vienna Convention makes proper distinctions with regard to the kinds of cases for which immunity is granted. In each instance, these efforts have received the support of the Departments of State and Justice.

Reform in the area of diplomatic immunity has not been opposed on its merits, but has been defeated by inertia and apathy. We have a responsibility to our citizens and to the diplomatic community to conform our domestic law to existing international standards. There is a consensus that this action is long overdue.

In addition to updating United States law by implementing the Vienna Convention on Diplomatic Relations, H.R. 7819 also provides a much-needed remedy for insuring victim compensation. While studying this bill, it became evident to me that a remedial system which guaranted that an accident victim would have an opportunity to present his or her case in court was needed. A necessary adjunct to bringing a suit is the existence of a solvent defendant. As a matter of Federal law, this bill gives an injured or damaged party a substantive right to proceed directly against the insurance company when the insured diplomat enjoys immunity from suit. It also requires foreign diplomats in the United States to carry liability insurance against risks arising from the operation of a motor vehicle, vessel, or aircraft. In this manner, the bill solves the problem associated with immunity when it precludes recovery following an accident caused by a member of a diplomatic mission. Again, this practice is in line with methods employed by most nations.

Mr. President, the Senate should be satisfied with this legislation, and I urge its prompt passage. By enacting this bill, we will prevent the needless victimization of American citizens and advance the cause of diplomacy by removing a source of friction between our people and the diplomatic community.

● Mr. SPARKMAN. Mr. President, the principal purpose of H.R. 7819, as amended by the Committee on Foreign Relations is to complement the 1961 Vienna Convention on Diplomatic Relations, which entered into force with respect to the United States on December 13, 1972. This bill would: first, codify the privileges and immunities provisions of the Vienna Convention as the sole U.S. law on the subject; second, repeal existing Federal legislation which is inconsistent with the Vienna Convention; third, require foreign diplomats in the United States to carry liability insurance against risks arising from the operation in the United States of automobiles, vessels, or aircraft at a level to be established by the executive; fourth, create, as a matter of Federal law, a substantive right of an injured or damaged party to proceed directly against the insurance company where the insured diplomat enjoys immunity from suit; and fifth, make certain conforming amendments to the judiciary code.

The amendments proposed by the Judiciary Committee are perfecting in nature, and are constructive additions to the bill. It is my understanding that the administration strongly supports this legislation as amended by both committees.

The changes in U.S. law called for in the bill will go a long way to modernizing U.S. law governing the relationship between foreign diplomats and U.S. citizens. I urge the Senate to adopt this bill.●

Mr. MATHIAS. Mr. President, Senator SPARKMAN, Senator METZENBAUM, and Senator SARBANES have all made invaluable contributions to this legislation. In a few moments the Senate will vote on the bill that will bring our antiquated diplomatic immunity laws into the 20th century, and I have long looked forward to this day.

As a Senator from a State where a large number of diplomats live, I am keenly aware of the urgent need to modernize existing laws and to bring them into conformity with current international practice.

Since 1790, our Nation has provided absolute immunity from criminal, civil, and administrative jurisdiction to all diplomatic personnel, regardless of rank—from the cook to the Ambassador. The law not only immunizes all diplomatic personnel, it adds insult to injury by subjecting to possible criminal penalties anyone who attempts to bring an action against these individuals. Equally serious is the fact that our laws contain no adequate mechanism to compensate those injured in accidents caused by diplomats.

This has resulted in an intolerable situation where thousands of diplomats are above the law. Most of the diplomats who are our friends and neighbors are scrupulous in avoiding abuse of this privilege, but sadly a minority is not. In its simplest terms, this means that in a high-density diplomatic community like the Maryland suburbs, there are too many people driving cars under no effective constraints at all, even those that are self-imposed. The overwhelming number of diplomats have also taken out liability insurance. But there are exceptions, and in areas where life and death

are involved we simply cannot afford any exceptions.

The dangers inherent in our continued adherence to outmoded concepts of diplomatic immunity prompted me on April 6, 1977, to introduce S. 1256 and S. 1257. My bills were aimed at achieving two important and interrelated goals: narrowing the absolute immunity provided under the 1790 statute and helping insure that Americans who suffer personal injury and property damage in accidents caused by diplomats are not left without an avenue for redress. Specifically, these bills would:

Repeal the 1790 statute with its grant of absolute immunity;

Establish as the sole basis of determining the scope of diplomatic immunity in this country the 1961 Vienna Convention on diplomatic relations and immunities, which makes the degree of immunity commensurate with the rank and duty of the individual;

Require liability insurance for all diplomatic personnel;

Allow an injured party to sue the diplomat's insurance company; and

Preclude an insurance company from avoiding liability by invoking the immunity of the diplomat.

To its credit, Congress has been sensitive to the need for reform of our diplomatic immunity laws and has acted expeditiously. Since early 1977, Congress has conducted an extensive review of various diplomatic immunity proposals, among them my own bills and those introduced by Congressmen JOE FISHER and GEORGE DANIELSON. Both the Senate Judiciary and Foreign Relations Committees, as well as their House counterparts have devoted substantial time and effort in this important endeavor.

The bill now before the Senate is the product of these labors. A number of our colleagues, including Representatives FISHER and DANIELSON, DANTE FASCELL, and Senators METZENBAUM and SARBANES are to be commended for their efforts to bring this legislation to fruition.

I am extremely pleased that H.R. 7819 closely parallels my own bills. In effect, H.R. 7819 contains all of the major features of S. 1256 and S. 1257, and thus accomplishes all of the important goals of my own proposals. Not only will this bill substantially narrow the scope of the immunity we afford diplomatic personnel, it will also insure under its direct action provision that insurance companies can no longer frustrate the claims of injured Americans by hiding behind the immunity of the offending diplomat.

I approve of the scope of diplomatic immunity provided by the Vienna Convention and recognize that the purpose of such immunity is not to benefit individuals, but to insure the efficient performance of diplomatic duties. This purpose can best be fulfilled if the concept of diplomatic immunity keeps pace with the theory of risk sharing contained in our developing law of insurance. H.R. 7810 would do just that.

I urge my colleagues to support this important bill, and am confident that shortly Congress will send to the President for his signature a new diplomatic immunity law which will bring needed protection to American citizens without hampering diplomats in the performance of their duties.

Mr. THURMOND. Mr. President, I rise in support of H.R. 7819 as amended by the Senate Judiciary Committee.

Modernization of U.S. law on diplomatic immunity is long overdue and our passage of the bill—H.R. 7819, as amended—will provide the major improvements needed.

This change of law accomplishes three fundamental purposes. First, it would repeal the 1790 statute which is outdated and inapplicable to our modern world. Repeal of this outmoded legislation will allow application of the Vienna Convention on Diplomatic Relations of 1961 as the standard for granting privileges and immunities to the various categories of diplomatic mission personnel serving in official Government establishments today, as well as to certain of their dependents.

Secondly, it would establish a legal basis, on the Federal level, for requiring all persons enjoying diplomatic immunity to acquire adequate liability insurance against risks arising from the operation in the United States of automobiles, vessels, or aircraft and for creating, as a matter of Federal law, a substantive right of an injured or damaged party to proceed directly against the insurance company in those instances where the insured diplomat enjoys immunity from suit.

And thirdly, it makes certain conforming amendments to the Judiciary Code. With the adoption of this law, we are not only changing our immunity laws into conformance with the Vienna convention which this Government signed some years ago, but also into conformance with the way our own nationals working abroad in our missions are treated by foreign governments.

Mr. President, for too many years we have delayed making these needed improvements to modernize our laws relating to diplomatic immunity. Possibly this delay was due to lack of widespread recognition of this special and, in some sense, localized problem. But certainly these changes are very important in terms of the relief that they can bring to Americans who may be injured, one way or another, by acts done by foreign nationals.

So long as foreign nationals have the complete protection of immunity, there is virtually nothing that can be done. Our American citizens have to bear the brunt of this, and it is illogical and unfair—especially in view of the Vienna Convention on Diplomatic Relations of 1961, to which we have already agreed.

Since much of the concern for diplomatic immunity relates to automobile accidents, and thus to automobile insurance, I feel some comment is in order at this point to recognize this facet of the overall situation. Certainly we appreciate the feelings expressed by the automobile insurers at hearings concerning this matter. They stated their firm conviction that legislation was needed to provide for a reparations system which would allow for fair and just compensation to those innocent victims suffering injury and damage at the hands of foreign diplomats enjoying diplomatic immunity. Also, we understand the reservation and concern that these insurers have with respect to section 7 of this bill which allows, under certain conditions, direct actions against insurers of members of diplomatic missions and their families. At the same time, however, it has been brought to our attention that some insurers have indicated that they have offered, or contemplate offering, an underwriting requirement package to carriers that would allow them to provide automobile coverage that would be both attractive and profitable for the companies.

I feel you would be particularly interested in some comments made on this subject at one of the recent hearings on this bill by Mr. Howard B. Clark, who is a former special assistant to the Federal Insurance Administration, and former chief insurance commissioner of the State of South Carolina, and a former member of the DOT automabile insurance and accident compensation study. Mr. Clark is an extremely knowledgeable person in this matter of insurance that is so important in H.R. 7819 as amended.

Mr. Clark, in his testimony, recognized the possibility of concern by automobile insurers about the direct action statute and he pointed to at least one other way that such direct action could be handled. He suggested that States would be at liberty to require proof of financial responsibility for the future under which the insurers could not raise policy defenses. Substituted service on the Secretary of State could then be provided if diplomatic immunity prevented service on individuals. The insurer would then be brought to court, and the accident victim would recover on the basis of the same reparation system as everyone else.

Additionally, it is our understanding that most embassies are anxious and willing to cooperate with the insurance companies in order to help make these type insurance plans succeed. Certainly, this attitude and expression toward cooperation is commendable and is vital to the successful implementation of the provisions of this diplomatic immunity legislation.

On another point, I am pleased that H.R. 7819, amends the Judiciary Code by narrowing Federal exclusive jurisdiction to only civil actions against foreign consuls. At the same time, it is made clear that State courts are not denied jurisdiction to enforce the criminal laws of the States against foreign consuls and members of their staffs. Legislative history shows that Congress has changed its position several times on the issue of Federal courts exclusive jurisdiction over actions against foreign consuls. I feel that it is necessary for Congress to remove a de facto immunity from criminal jurisdiction.

Mr. President, this "Diplomatic Relations Act" has received careful consideration by several committees in the Senate and the House. I am especially pleased to join with my colleagues of the Senate Judiciary Committee in recommending favorable action on the bill as amended.

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

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

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

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 Calendar Nos. 1029 and 1030.

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

SAFEKEEPING, CARE, AND SUBSISTENCE OF UNSENTENCED FEDERAL PRISONERS

The bill (S. 1274) to provide the Attorney General of the United States with authority to contract with State and local authorities for the safekeeping, care, and subsistence of all Federal prisoners, 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 title 18, United States Code, is amended by striking out "Director of the Bureau of Prisons" in section 4002 and inserting in lieu thereof "Attorney General".

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

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

The motion to lay on the table was agreed to.

CONTRACT SERVICES FOR DRUG DEPENDENT FEDERAL OFFENDERS ACT OF 1978

The bill (S. 3336) to enable the Department of Justice and the administrative office of the U.S. Courts to provide services and special supervision to drug dependent Federal offenders in an efficient and effective manner, 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 "Contract Services for Drug Dependent Federal Offenders Act of 1978".

SEC. 2. Section 3651 of title 18, United States Code, relating to suspension of sentence and probation, is amended by deleting from the second to the last paragraph the colon and everything thereafter, and inserting in lieu thereof a period.

SEC. 3. Section 4255 of title 18, United States Code, relating to supervision in the community of certain convicted offenders, is amended to read as follows:

"An offender who has been conditionally released shall be under the jurisdiction of the United States Parole Commission as if on parole, pursuant to chapter 311 of this title.

"The Director of the Administrative Office of the United States Courts may contract with any appropriate public or private agency or any person for supervisory aftercare of an offender. The Director may negotiate and award such contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).".

SEC. 4. (a) To carry out the purposes of this Act, there are authorized to be appropriated sums not to exceed $4,006,000 for the fiscal year ending September 30, 1980; $4,246,360 for the fiscal year ending September 30, 1981; and $4,501,140 for the fiscal year ending September 30, 1982.

(b) The amendments made by this Act shall take effect on October 1, 1979.

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

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

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–1110), 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

If enacted, S. 3336, the "Contract Services for Drug Dependent Federal Offenders Act of 1978", would assure effective implementation of title II of the Narcotic Addict Rehabilitation Act of 1966, as amended, by consolidating the authority for supervisory care for drug dependent persons in a single agency.

BACKGROUND

In 1966, Congress authorized supervisory drug aftercare for drug dependent offenders following their release to the community after conviction, or after having served a term of incarceration, in title II of the Narcotic Addict Rehabilitation Act of 1966 (18 U.S.C. 4255). In 1972, aftercare was extended to all Federal offenders with drug dependence problems by Public Law 92–293.

Authorized services that might be provided to such offenders are varied and include vocational guidance, education, and training, job placement and skill testing, psychological evaluation, psychotherapy, detoxification, temporary housing, residence in a community center and emergency financial assistance. Under current statutes, the Bureau of Prisons has the contracting, monitoring, and funding authority for drug aftercare. Drug aftercare services are provided by contractors almost exclusively on an outpatient basis, although there is a provision for temporary placement in a residential program. The Bureau of Prisons contracts with public and private agencies and individuals for all aftercare services.

ORDER FOR RECESS UNTIL 9 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 9 o'clock tomorrow morning.

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

ORDER FOR CONSIDERATION TOMORROW OF S. 3073, FEDERAL AID HIGHWAY ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators on tomorrow morning have been completed, the Senate proceed to the consideration of the Federal Aid Highway Act, S. 3073, with the understanding that any vote ordered on the Alaska railroad amendment by Mr. GRAVEL or the trust fund amendment by Mr. KENNEDY and Mr. WEICKER would go over until Monday.

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

Mr. ROBERT C. BYRD. Mr. President, there will be votes tomorrow.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Senators will please clear the well. Senators will retire to their seats.

Mr. ROBERT C. BYRD. Mr. President, the Federal Aid Highway Act is a big bill, and there is a time agreement on it.

There are several amendments included in the time agreement, and the votes on only two have been ordered over until Monday. There will be other rollcall votes in connection with the bill tomorrow. So Senators should not be under any illusion, because the cloture vote has been vitiated, that there will not be any rollcall votes tomorrow. There definitely will be.

Mr. STAFFORD. Mr. President, reserving the right to object—and I shall not object——

Mr. ROBERT C. BYRD. There is no request before the Senate. I was merely making a statement.

Mr. STAFFORD. I simply wanted to be assured that on Monday next, the Federal aid highway bill would not be called up for consideration in the Senate prior to 2 o'clock in the afternoon, when the manager on our side and the ranking minority member will be present.

Mr. ROBERT C. BYRD. I thank the Senator, because he had discussed this with me, and I should have stated it.

Mr. RANDOLPH. Mr. President, will the able majority leader yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. RANDOLPH. Mr. President, I appreciate the able majority leader giving me the opportunity to comment on his discussion of the legislation, of the voting process, the time limitations, and so forth, on the Federal Aid Highway Act of 1978.

I think I am joined by the knowledgeable Senator from Texas (Mr. BENTSEN), the chairman of our Subcommittee on Transportation, in saying that this measure has been reported from our Committee on Environment and Public Works for some time; that we had extensive and very thorough hearings in the subcommittee; that we have a highly important bill. It is a measure to which we hope all Members of the Senate will give attention, as has been indicated by the majority leader, by cooperating in the way we have discussed.

There will be votes that can be taken tomorrow, and then two votes on Monday, with the time agreement expressed by the Senator from Vermont, the ranking minority member of the committee.

My purpose is not to indicate that one bill is more important than the other, but this legislation means very much to the people of the country—to the mo-

bility, the energy, and the very strength of our system.

I appreciate the attention that the majority leader and others are giving to the arrangements, which are entirely satisfactory to us.

Mr. ROBERT C. BYRD. I thank the distinguished Senator, my senior colleague.

I say in response to Mr. STAFFORD that we do have an understanding that on Monday, when the Senate comes in—and it will come in early—we will return to the D.C. representation amendment. After a few hours of debate and action on amendments thereto, the Senate then will turn to the Federal Aid Highway Act, which will not have been completed by the close of business tomorrow, by virtue of our putting over votes on two amendments. So Senator STAFFORD has that assurance. If we do not complete the bill on Monday, the same will be said as to Tuesday.

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

Mr. ROBERT C. BYRD. I yield.

Mr. THURMOND. Can the majority leader give us some idea of how soon the first vote will occur on Monday?

Mr. ROBERT C. BYRD. Mr. President, from here on out, until the end of this session, it is my view that we should not say any further that on Mondays there will be no votes before 3 o'clock. We will just have to take the votes when they occur, from here on out, if I may be candid with the distinguished Senator from South Carolina.

So votes could occur fairly early. I would say the Senate should come in by 9 o'clock or 10 o'clock on Monday—say, 10 o'clock on Monday—because we do have a great deal of business and we want to finish our work next week and be able to recess the following week for the Labor Day holiday.

Mr. President, there are several amendments that can be called up tomorrow.

Mr. KENNEDY has an amedment on planning and an amendment on truck lengths. Mr. ZORINSKY and Mr. ANDERSON have an amendment on rail crossings. Mr. HUDDLESTON has an amendment relative to coal haul roads. This amendment originally was offered by my senior colleague from West Virginia, Mr. RANDOLPH. Mr. ZORINSKY and Mr. ANDERSON have an amendment relative to rail crossings. Mr. CULVER has an amendment relative to bridges. There is a time agreement on the bill. So we will not be here just spinning our wheels. There will be votes.

I thank the distinguished Senator from Colorado for his patience.

Mr. CULVER. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Will the Senator from Colorado seek recognition?

Mr. HART. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. HART. Mr. President, I yield to the Senator from Iowa.

Mr. CULVER. I ask the majority leader just what is the nature of the time agreement that has been entered into and how much time has been accorded each of the pending amendments?

Mr. ROBERT C. BYRD. The time agreement was attained a day or so ago, and it is on the Calendar, at page 3.

The vote on the Kennedy-Weicker trust fund amendment will go over until Monday. There is a 1½-hour limit on that. On the Kennedy planning amendment there are 2 hours. On each of the amendments by Mr. GRAVEL on planning, the hydrofoil and the Alaskan railroad, there is 1 hour. On the amendment by Mr. KENNEDY relative to truck lengths there is 1 hour. On the two amendments by Senator ROTH relative to bridges and beach erosion there is a limit of 1 hour each. On the amendment by Mr. GRAVEL relative to New York streets, 1½ hours. On the amendment by Mr. HUDDLESTON and Mr. RANDOLPH relative to coal haul roads, 1½ hours. On the amendment by Mr. ZORINSKY and Mr. ANDERSON relative to rail crossings, 1½ hours. On the amendment by Mr. CULVER relative to bridges, 2 hours. On any other amendments that have not been specified there is a limit of 30 minutes.

That has not been specified.

Mr. JACKSON. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JACKSON. I wish to say that the House of Representatives has completed work on the Outer Continental Shelf bill, which is a very important bill in the area of energy, and the conference report on the OCS bill will be ready tomorrow to be called up.

Mr. ROBERT C. BYRD. The conference report. Very good.

Mr. JACKSON. I do not anticipate any major trouble on it, but it is very important.

Mr. ROBERT C. BYRD. But there presumably could be rollcall votes.

Mr. TOWER. Mr. President, if the Senator will yield, when does he propose to call up the conference report?

Mr. JACKSON. I will call it up tomorrow.

Mr. TOWER. Could the Senator put that over until Monday? Senator STEVENS has a great interest in that and he will not be here tomorrow.

Mr. JACKSON. Sure. I will be glad to do that.

Mr. ROBERT C. BYRD. Very well.

Mr. TOWER. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I ask Mr. KENNEDY if he anticipates any more rollcall votes on the D.C. representation matter today?

Mr. KENNEDY. No.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, there will be no more rollcall votes today.

The Senate will come in at 9 a.m. tomorrow morning and at approximately 9:30 a.m., or thereabouts, will begin its deliberations on the Federal aid to highway bill, which has been cleared with Mr. BENTSEN, the manager of the bill.

I thank the Senator from Colorado.

SPECIAL ORDERS FOR MONDAY, AUGUST 21, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on Monday, August 21, 1978, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

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

COMMITTEE MEETINGS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Health and Scientific Research Subcommittee of the Committee on Human Resources be authorized to meet during the session of the Senate on Friday, August 18, 1978, to hold a markup session on S. 2755, the drug bill.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Penitentiaries and Corrections Subcommittee of the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, August 18, 1978, to hold a hearing on S. 3227, the Therapeutic Community Act.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Friday, August 18, 1978, to hold a hearing on FBI oversight pertaining to bank robberies.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate tomorrow to hold a hearing on S. 2361, the recodification of ICC rules.

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

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders are recognized under the standing order, the following Senators be recognized for not to exceed 15 minutes: Mr. HAYAKAWA, Mr. TOWER, and Mr. MCCLURE; and that Mr. HODGES be recognized for not to exceed 5 minutes thereafter.

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

ORDER OF PROCEDURES TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I believe the order has been entered for the taking up of the Federal Highway Act bill on tomorrow after the order for the recognition of Senators. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. And the order for the convening of the Senate tomorrow is at 9 a.m.

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

Does Senator THURMOND have anything further today?

Mr. THURMOND. No, Mr. President.

Mr. ROBERT C. BYRD. Does Senator TOWER?

Mr. TOWER. No, Mr. President.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Do any other Senators wish to be recognized? If not, under the previous order, the Senate stands in recess until 9 a.m. tomorrow.

Whereupon, at 6:35 p.m. the Senate recessed until tomorrow, August 18, 1978, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, August 17, 1978*

The House met at 10 a.m.

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

Keep yourselves in the love of God.—Jude 21.

Eternal Father, who art the source of our being, the goal of our moral efforts, and the companion of our way, amid the troubles of these trying times we turn to Thee. Grant unto us the strength of Thy spirit, the peace of Thy presence, and the glory of Thy goodness as we seek to make this planet a better place where people can learn to live together peacefully.

Bless our President, our Speaker, Members of Congress, and all who labor for them and with them. So rule their hearts and so direct their endeavors that justice, peace, and good will may come to new life in our country and in all nations.

May the blessings of Thy love and peace abide in our hearts now and evermore. Amen.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, under rule I, clause 1, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. DANIELSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 714]

Ambro	Flynt	Neal
Andrews, N.C.	Ford, Mich.	Nichols
Archer	Ford, Tenn.	Pepper
Armstrong	Fountain	Pike
Ashley	Fowler	Pressler
AuCoin	Fraser	Preyer
Bedell	Frey	Pritchard
Bellenson	Gaydos	Risenhoover
Biaggi	Giaimo	Rodino
Bolling	Gibbons	Rose
Brodhead	Hagedorn	Santini
Buchanan	Harrington	Sarasin
Burke, Calif.	Harsha	Satterfield
Burton, John	Heckler	Sawyer
Burton, Phillip	Heftel	Schulze
Byron	Holland	Shipley
Cavanaugh	Hollenbeck	Sikes
Chappell	Huckaby	Simon
Conyers	Ireland	Sisk
Cornell	Johnson, Calif.	Skubitz
Crane	Kasten	Stangeland
D'Amours	LaFalce	Steiger
Davis	Le Fante	Stokes
Delaney	Leggett	Teague
Dent	Lloyd, Tenn.	Thompson
Devine	Lundine	Thone
Dodd	McDade	Tsongas
Duncan, Oreg.	McDonald	Tucker
Eckhardt	McKay	Udall
Edgar	McKinney	Waxman
Edwards, Okla.	Madigan	Wiggins
Eilberg	Meeds	Wilson, C. H.
Evans, Colo.	Mikulski	Young, Alaska
Fascell	Mikva	Young, Tex.
Fithian	Milford	Zeferetti
Flowers	Miller, Calif.	

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). On this rollcall 325 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. SYMMS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The question is on the approval of the Journal.

The Journal was approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8771. An act to amend title 5, United States Code, to authorize the Civil Service Commission to comply with the terms of a court decree, order, or property settlement in connection with the divorce, annulment, or legal separation of a Federal employee who is under the civil service retirement system, and for other purposes.

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

H.R. 10899. An act to provide for Federal regulation of participation by foreign banks in domestic financial markets.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11003) entitled "An act to clarify the authority for employment of personnel in the White House Office and the Executive Residence at the White House, to clarify the authority for employment of personnel by the President to meet unanticipated needs, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RIBICOFF, Mr. CHILES, Mr. SASSER, Mr. PERCY, and Mr. STEVENS to be the conferees on the part of the Senate.

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

S. 2539. An act to amend the Higher Education Act of 1965 to improve the basic educational opportunity grants program, and for other purposes.

FRENCH NEWSPAPER RECONSTRUCTED AND FABRICATED ANDREW YOUNG INTERVIEW

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

Mr. ALEXANDER. Mr. Speaker, last month when the uproar broke over the interview our Ambassador to the United Nations, Andrew Young, gave to a French newspaper, I decided to try to find out for myself just what was said in that interview. It seemed the only fair and just thing to do. I would have wanted to do that even if Andy Young had not been my friend.

The outcome was that I obtained from the Department of State a transcription of the tape recording of the interview which was conducted in English. And, I made that transcription a part of the CONGRESSIONAL RECORD of July 24.

After the transcript appeared in the RECORD, one of our colleagues, the gentlelady from New Jersey (Mrs. FENWICK), raised a question about differences between its content and the content of a news article in the July 14, 1978, New York Times. The differences are substantial.

The Paris newspaper (Le Matin) translated the interview from English to French after which it misrepresented what Young said. The French Communist newspaper reconstructed and fabricated a story from the interview. The Associated Press translated this injustice to English. The New York Times compounded the situation by publishing the AP account in its prestigious newspaper. Andy Young, and the United States, were seriously damaged because of this outrageous misrepresentation.

I have requested permission to submit in the special order section of today's record a copy of the Times account and relevant parts of the Young interview for your review and judgment, as well as my correspondence to the publisher and executive editor of the Times urging that this injustice be righted.