United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, January 15, 1979*

This being the day fixed by the 20th amendment of the Constitution and Public Law 95–594 of the 95th Congress for the annual meeting of the Congress of the United States, the Members-elect of the House of Representatives of the 96th Congress met in their Hall, and at 12 o'clock noon were called to order by the Clerk of the House of Representatives, Hon. Edmund L. Henshaw, Jr.

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

God is our refuge and strength, a very present help in trouble.—Psalms 46: 1.

O God, our Father, who is the refuge and strength of your people in every age and our refuge and strength in this present hour, we pause in Your presence as we open the first session of the 96th Congress to offer unto You the devotion of our hearts and to dedicate our thoughts and actions to the welfare of the people of our beloved Republic.

Aware of Your presence help us to accept our responsibility to lead our Nation into a larger good for our citizens and for the people on our planet. Amid the voices which call us to lower our high ideals may we feel the power of Your presence and the life of Your love. With Your Spirit may we make this a great year in the life of our Republic.

We call to mind the lives of two of our Members, LEO J. RYAN and WILLIAM A. STEIGER who have gone home to be with You. For their devotion to duty and their love for our country we thank You. Comfort their families with the strength of Your Spirit.

We pause to remember the life of Dr. Martin Luther King, Jr., and the contribution he made to his people and to the life of our Nation.

Lead us all into a deeper understanding of Your message to us. Walking with You in ever greater trust may we go forward to build upon this planet an order of life in which justice and truth and brotherhood shall prevail for the good of all Your children and the glory of Your holy name.

Reverently may we offer together this familiar and heart warming prayer.

Our Father, who art in Heaven, hallowed be Thy name, Thy Kingdom come, Thy will be done on Earth as it is in Heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom, and the power and the glory, forever.

Amen.

☐ 1205

The CLERK. Representatives-elect to the 96th Congress, this is the day fixed by law for the meeting of the 96th Congress.

This law directs the Clerk of the House to prepare the official roll of the Representatives-elect.

Credentials covering the 435 seats in the 96th Congress have been received and are now on file with the Clerk of the 95th Congress.

The names of those persons whose credentials show that they were regularly elected as Representatives in accordance with the laws of the several States and of the United States will be called; and as the roll is called, following the alphabetical order of the States, beginning with the State of Alabama, Representatives-elect will please answer to their names to determine whether there is a quorum present.

The reading clerk will call the roll by States.

The Clerk called the roll by States, and the following Representatives-elect answered to their names:

[Roll No. 1]

	ALABAMA	
Edwards, Ala.	Flippo	Shelby
Dickinson		
	ALASKA	
	Young, Alaska	
	ARIZONA	
Rhodes	Stump	Rudd
Udall		
	ARKANSAS	
Alexander	Hammer-	Anthony
Bethune	schmidt	
	CALIFORNIA	
Johnson, Calif.	Pashayan	Wilson, C. H.
Clausen	Thomas	Anderson,
Matsui	Lagomarsino	Calif.
Fazio	Goldwater	Grisham
Burton, John	Corman	Lungren
Burton, Phillip	Moorhead,	Lloyd
Miller, Calif.	Calif.	Brown, Calif.
Dellums	Beilenson	Lewis
Stark	Waxman	Patterson
Edwards, Calif.	Roybal	Dannemeyer
McCloskey	Rousselot	Badham
Mineta	Dornan	Wilson, Bob
Shumway	Dixon	Van Deerlin
Coelho	Hawkins	Burgener
Panetta	Danielson	
	COLORADO	
Schroeder	Kogovsek	Kramer
Wirth	Johnson, Colo.	
	CONNECTICUT	
Cotter	Giaimo	Moffett
Dodd	Ratchford	
	DELAWARE	
	Evans, Del.	
	FLORIDA	
Hutto	Young, Fla.	Mica
Fuqua	Gibbons	Stack
Bennett	Ireland	Lehman
Chappell	Nelson	Pepper
Kelly	Bafalis	Fascell
	GEORGIA	
Ginn	Fowler	Jenkins
Mathis	Gingrich	Barnard
Brinkley	McDonald	
Levitas	Evans, Ga.	
	HAWAII	
	IDAHO	
Symms	Hansen	
	ILLINOIS	
Russo	Annunzio	Michel
Derwinski	Crane, Philip	Findley
Hyde	McClory	Madigan
Collins, Ill.	Erlenborn	Crane, Daniel
Rostenkowski	Corcoran	Price
Yates	O'Brien	Simon
	INDIANA	
Benjamin	Hillis	Hamilton
Fithian	Evans, Ind.	Sharp
Brademas	Myers, Ind.	Jacobs
Quayle	Deckard	
	IOWA	
Leach, Iowa	Grassley	Harkin
Tauke	Smith, Iowa	Bedell
	KANSAS	
Sebelius	Winn	Whittaker
Jeffries	Glickman	
	KENTUCKY	
Hubbard	Snyder	Perkins
Natcher	Carter	
Mazzoli	Hopkins	
	LOUISIANA	
Livingston	Leach, La.	Breaux
Boggs	Huckaby	Long, La.
Treen	Moore	
	MAINE	
Emery	Snowe	
	MARYLAND	
Bauman	Holt	Barnes
Long, Md.	Spellman	
Mikulski	Byron	
	MASSACHUSETTS	
Conte	Shannon	Moakley
Boland	Mavroules	Heckler
Early	Markey	Donnelly
Drinan	O'Neill	Studds
	MICHIGAN	
Conyers	Traxler	Ford, Mich.
Pursell	Vander Jagt	Dingell
Wolpe, Mich.	Albosta	Brodhead
Stockman	Davis, Mich.	Blanchard
Sawyer	Bonior	Broomfield
Carr	Diggs	
Kildee	Nedzi	

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

MINNESOTA

Erdahl	Vento	Stangeland
Hagedorn	Sabo	Oberstar
Frenzel	Nolan	

MISSISSIPPI

Whitten	Montgomery	Lott
Bowen	Hinson	

MISSOURI

Clay	Bolling	Volkmer
Young, Mo.	Coleman	Burlison
Gephardt	Taylor	
Skelton	Ichord	

MONTANA

Williams, Mont.	Marlenee

NEBRASKA

Bereuter	Cavanaugh	Smith, Nebr.

NEVADA

Santini

NEW HAMPSHIRE

D'Amours	Cleveland

NEW JERSEY

Florio	Forsythe	Minish
Hughes	Maguire	Rinaldo
Howard	Roe	Courter
Thompson	Hollenbeck	Guarini
Fenwick	Rodino	Patten

NEW MEXICO

Lujan	Runnels

NEW YORK

Carney	Zeferetti	Stratton
Downey	Holtzman	Solomon
Ambro	Murphy, N.Y.	McEwen
Lent	Green	Mitchell, N.Y.
Wydler	Rangel	Hanley
Wolff, N.Y.	Weiss	Lee
Addabbo	Garcia	Horton
Rosenthal	Bingham	Conable
Ferraro	Peyser	LaFalce
Biaggi	Ottinger	Nowak
Scheuer	Fish	Kemp
Chisholm	Gilman	Lundine
Richmond	McHugh	

NORTH CAROLINA

Jones, N.C.	Neal	Martin
Fountain	Preyer	Broyhill
Whitley	Rose	Gudger
Andrews, N.C.	Hefner	

NORTH DAKOTA

Andrews, N. Dak.

OHIO

Gradison	Ashley	Ashbrook
Luken	Miller, Ohio	Applegate
Hall, Ohio	Stanton	Williams, Ohio
Guyer	Devine	Oakar
Latta	Pease	Stokes
Harsha	Seiberling	Vanik
Brown, Ohio	Wylie	Mottl
Kindness	Regula	

OKLAHOMA

Jones, Okla.	Watkins	Edwards, Okla.
Synar	Steed	English

OREGON

AuCoin	Duncan, Oreg.	Weaver
Ullman		

PENNSYLVANIA

Myers, Pa.	Shuster	Walgren
Gray	McDade	Goodling
Lederer	Murtha	Gaydos
Dougherty	Coughlin	Bailey
Schulze	Moorhead, Pa.	Murphy, Pa.
Yatron	Ritter	Clinger
Edgar	Walker	Atkinson
Kostmayer	Ertel	

RHODE ISLAND

St Germain	Beard, R.I.

SOUTH CAROLINA

Davis, S.C.	Derrick	Holland
Spence	Campbell	Jenrette

SOUTH DAKOTA

Daschle	Abdnor

TENNESSEE

Quillen	Gore	Jones, Tenn.
Duncan, Tenn.	Boner	Ford, Tenn.
Bouquard	Beard, Tenn.	

TEXAS

Hall, Tex.	Pickle	Leland
Wilson, Tex.	Leath, Tex.	Hance
Collins, Tex.	Wright	Gonzalez
Roberts	Hightower	Loeffler
Mattox	Wyatt	Paul
Gramm	de la Garza	Kazen
Archer	White	Frost
Brooks	Stenholm	

UTAH

McKay	Marriott

VERMONT

Jeffords

VIRGINIA

Trible	Daniel, Dan	Wampler
Whitehurst	Butler	Fisher
Satterfield	Robinson	
Daniel, R. W.	Harris	

WASHINGTON

Swift	McCormack	Dicks
Bonker	Foley	Lowry

WEST VIRGINIA

Mollohan	Slack	Rahall
Staggers		

WISCONSIN

Aspin	Reuss	Sensenbrenner
Baldus	Obey	
Zablocki	Roth	

WYOMING

Cheney

☐ 1300

The CLERK. The rollcall discloses that 414 Representatives-elect have answered to their names.

A quorum is present.

ANNOUNCEMENTS BY THE CLERK

The CLERK. The Clerk wishes to state that credentials regular in form have been received showing the election of the Honorable BALTASAR CORRADA as Resident Commissioner of the Commonwealth of Puerto Rico for a term of 4 years beginning January 3, 1977; the election of the Honorable WALTER E. FAUNTROY as delegate from the District of Columbia; the election of the Honorable ANTONIO BORJA WON PAT as Delegate from Guam; and the election of the Honorable MELVIN H. EVANS as Delegate from the Virgin Islands.

The Clerk also regrets to announce that there is a vacancy in the 11th District of California occasioned by the death of the Honorable LEO J. RYAN, and that there is a vacancy in the Sixth District of Wisconsin occasioned by the death of the Honorable WILLIAM A. STEIGER.

ELECTION OF SPEAKER

The CLERK. The next order of business is the election of a Speaker of the House of Representatives for the 96th Congress.

Nominations are now in order.

The Clerk recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Clerk, as chairman of the Democratic Caucus, I am directed by the unanimous vote of that caucus to present for election to the office of the Speaker of the House of Representatives for the 96th Congress the name of the Honorable THOMAS P. O'NEILL, JR., a Representative-elect from the State of Massachusetts.

The CLERK. The Clerk now recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Clerk, as secretary of the Republican Conference and as acting chairman, and by authority, by direction, and by unanimous vote of the Republican Conference, I nominate for Speaker of the House of Representatives the Honorable JOHN J. RHODES, a Representative-elect from the State of Arizona.

The CLERK. The Honorable THOMAS P. O'NEILL, JR., a Representative-elect from the State of Massachusetts, and the Honorable JOHN J. RHODES, a Representative-elect from the State of Arizona, have been placed in nomination.

Are there any further nominations?

There being no further nominations, the Clerk will appoint tellers.

The Clerk appoints the gentleman from New Jersey (Mr. THOMPSON), the gentleman from Alabama (Mr. DICKINSON), the gentlewoman from New York (Mrs. CHISHOLM), and the gentlewoman from Massachusetts (Mrs. HECKLER).

The tellers will come forward and take their seats at the desk in front of the Speaker's rostrum.

The roll will now be called, and those responding to their names will indicate by surname the nominee of their choice.

The reading clerk will call the roll.

The tellers having taken their places, the House proceeded to vote for the Speaker.

The following is the result of the vote:

[Roll No. 2]

O'NEILL—268

Addabbo	Conyers	Gonzalez
Albosta	Corman	Gore
Alexander	Cotter	Gramm
Ambro	D'Amours	Gray
Anderson, Calif.	Daniel, Dan	Guarini
	Danielson	Gudger
Andrews, N.C.	Daschle	Hall, Ohio
Annunzio	Davis, S.C.	Hall, Tex.
Anthony	de la Garza	Hamilton
Applegate	Dellums	Hance
Ashley	Derrick	Hanley
Aspin	Dicks	Harkin
Atkinson	Diggs	Harris
AuCoin	Dingell	Hawkins
Bailey	Dixon	Hefner
Baldus	Dodd	Hightower
Barnard	Donnelly	Holland
Barnes	Downey	Holtzman
Beard, R.I.	Drinan	Howard
Bedell	Duncan, Oreg.	Hubbard
Beilenson	Early	Huckaby
Benjamin	Eckhardt	Hughes
Bennett	Edgar	Hutto
Biaggi	Edwards, Calif.	Ichord
Bingham	English	Ireland
Blanchard	Ertel	Jacobs
Boggs	Evans, Ga.	Jenkins
Boland	Evans, Ind.	Jenrette
Bolling	Fary	Johnson, Calif.
Boner	Fascell	Jones, N.C.
Bonior	Fazio	Jones, Okla.
Bonker	Ferraro	Jones, Tenn.
Bouquard	Fisher	Kazen
Bowen	Fithian	Kildee
Brademas	Flippo	Kogovsek
Breaux	Flood	Kostmayer
Brinkley	Florio	LaFalce
Brodhead	Foley	Leach, La.
Brooks	Ford, Mich.	Leath, Tex.
Brown, Calif.	Ford, Tenn.	Lederer
Burlison	Fountain	Lehman
Burton, John	Fowler	Leland
Burton, Phillip	Frost	Levitas
Byron	Fuqua	Lloyd
Carr	Garcia	Long, La.
Cavanaugh	Gaydos	Long, Md.
Chappell	Gephardt	Lowry
Chisholm	Giaimo	Luken
Clay	Gibbons	Lundine
Coelho	Ginn	McCormack
Collins, Ill.	Glickman	McDonald

McHugh	Pease	Steed
McKay	Pepper	Stenholm
Maguire	Perkins	Stewart
Markey	Peyser	Stokes
Mathis	Pickle	Stratton
Matsui	Preyer	Studds
Mattox	Price	Stump
Mavroules	Rahall	Swift
Mazzoli	Rangel	Synar
Mica	Ratchford	Thompson
Mikulski	Reuss	Traxler
Mikva	Richmond	Udall
Miller, Calif.	Roberts	Ullman
Mineta	Rodino	Van Deerlin
Minish	Roe	Vanik
Moakley	Rose	Vento
Moffett	Rosenthal	Volkmer
Mollohan	Rostenkowski	Walgren
Montgomery	Roybal	Watkins
Moorhead, Pa.	Runnels	Waxman
Motti	Russo	Weaver
Murphy, Ill.	Sabo	Weiss
Murphy, N.Y.	Santini	White
Murphy, Pa.	Satterfield	Whitley
Murtha	Scheuer	Whitten
Myers, Pa.	Schroeder	Williams, Mont.
Natcher	Seiberling	Wilson, C. H.
Neal	Shannon	Wilson, Tex.
Nedzi	Sharp	Wirth
Nelson	Shelby	Wolff, N.Y.
Nolan	Simon	Wolpe, Mich.
Nowak	Skelton	Wright
Oakar	Slack	Wyatt
Oberstar	Smith, Iowa	Yates
Obey	Spellman	Yatron
Ottinger	St Germain	Young, Mo.
Panetta	Stack	Zablocki
Patten	Staggers	Zeferetti
Patterson	Stark	

RHODES—152

Abdnor	Forsythe	Mitchell, N.Y.
Anderson, Ill.	Frenzel	Moore
Andrews, N. Dak.	Gilman	Moorhead, Calif.
	Gingrich	
Archer	Goldwater	Myers, Ind.
Ashbrook	Goodling	O'Brien
Badham	Gradison	Pashayan
Bafalis	Grassley	Paul
Bauman	Green	Pursell
Beard, Tenn.	Grisham	Quayle
Bereuter	Guyer	Quillen
Bethune	Hagedorn	Railsback
Broomfield	Hammer-schmidt	Regula
Brown, Ohio		Rinaldo
Broyhill	Hansen	Ritter
Burgener	Harsha	Robinson
Butler	Heckler	Roth
Campbell	Hillis	Rousselot
Carney	Hinson	Rudd
Carter	Hollenbeck	Sawyer
Cheney	Holt	Schulze
Clausen	Hopkins	Sebelius
Cleveland	Horton	Sensenbrenner
Clinger	Hyde	Shumway
Coleman	Jeffords	Shuster
Collins, Tex.	Jeffries	Smith, Nebr.
Conable	Johnson, Colo.	Snowe
Conte	Kelly	Snyder
Corcoran	Kemp	Solomon
Coughlin	Kindness	Spence
Courter	Kramer	Stangeland
Crane, Daniel	Lagomarsino	Stanton
Crane, Philip	Latta	Stockman
Daniel, R. W.	Leach, Iowa	Symms
Dannemeyer	Lee	Tauke
Davis, Mich.	Lent	Taylor
Deckard	Lewis	Thomas
Derwinski	Livingston	Treen
Devine	Loeffler	Trible
Dickinson	Lott	Vander Jagt
Dornan	Lujan	Walker
Dougherty	Lungren	Wampler
Duncan, Tenn.	McClory	Whitehurst
Edwards, Ala.	McCloskey	Whittaker
Edwards, Okla.	McDade	Williams, Ohio
Emery	McEwen	Wilson, Bob
Erdahl	Madigan	Winn
Erlenborn	Marlenee	Wydler
Evans, Del.	Marriott	Wylie
Fenwick	Martin	Young, Alaska
Findley	Michel	Young, Fla.
Fish	Miller, Ohio	

ANSWERED "PRESENT"—2

O'Neill Rhodes

☐ 1350

The CLERK. The tellers agree on their tallies. The total number of votes cast is 422, of which the Honorable THOMAS P. O'NEILL received 268, and the Honorable JOHN J. RHODES received 152, with 2 voting "present."

Therefore, the Honorable THOMAS P. O'NEILL, JR., is the duly elected Speaker of the House of Representatives for the 96th Congress, having received a majority of the votes cast.

The Clerk appoints the following committee to escort the Speaker-elect to the chair: The gentleman from Arizona (Mr. RHODES), the gentleman from Texas (Mr. WRIGHT), the gentleman from Illinois (Mr. MICHEL), the gentleman from Washington (Mr. FOLEY), the gentleman from Massachusetts (Mr. BOLAND), and the gentleman from Massachusetts (Mr. CONTE).

The Doorkeeper announced the Speaker-elect of the House of Representatives of the 96th Congress, who was escorted to the chair by the committee of escort.

☐ 1355

Mr. RHODES. Mr. Speaker, my colleagues, this is a habit I would like to break. However, it is a great honor to be the one to introduce the Speaker of the 96th Congress to the Members of the 96th Congress.

Our Speaker and I came to Congress together back in the Dark Ages. We have been friends for all these years. We still are, and we are going to continue to be. We will have our differences, as we have had in the past, but we will settle those differences as Americans, as Members of the House, and as personal friends.

This is a great institution, an institution in which I certainly am proud to serve. I know that this upcoming Congress will be a busy one, and I hope and pray that it will do things which will redound to the credit of the United States of America.

Many of you on my right were elected, expounding Republican principles. I heard of campaign speeches being made by Democratic Members that I just never dreamed could possibly be made. But I welcome you to the brotherhood of fiscal conservatism and I assure you that the people on my side of the aisle will be doing our very best to provide you with many opportunities to put your vote where your campaign rhetoric was. Believe me, deviations will be noted.

My good friend the Speaker, as you enter into your office, with the task of leading the majority of this Congress in traveling paths that it has never trod before, I feel for you but I want you to know that help is at hand. I have here with me copies of the Republican legislative agenda, not only of the last Congress but of this Congress, and I have autographed them to you, my friend, because I think you are going to need some guidelines as you and the majority traverse this road, which most of you had previously avoided like the plague. I wish all of you a smooth ride on this road to fiscal conservatism. I hope that together we will produce not only a balanced budget for the American people but also good, sound legislation. I hope this Congress will truly be a legislative oversight Congress. We need to cut the size of Government, and to stop so much harassment of the American people.

I have inscribed this work:

To Tip, my good friend, to make your job as Speaker of the 96th Congress easier.

JOHN J. RHODES.

This is the legislative agenda prepared by the Republicans in the 95th Congress to inform the people what they could expect from a Republican Congress. We had a similar agenda in the 94th Congress. I have also inscribed a copy of that agenda:

To Tip, to be used as a guide to conducting a Republican Congress with a lot of Democrats.

JOHN J. RHODES,
Republican Leader.

Mr. Speaker, if you and the majority really want to put your actions alongside your conservative rhetoric, this will be invaluable to you as guidelines.

Mr. Speaker, seriously, as long as I had to lose, I could not lose to a better guy and a better friend.

Mr. O'NEILL. Thank you. [Applause.]

☐ 1400

Mr. O'NEILL. My friends, my wife and family, and my colleagues:

May I first say, JOHN, how grateful I am that I should receive this Republican propaganda from you. Evidently you have a tremendous amount of it left over because it was not accepted by the American voters. In order to find out where you have gone wrong, I will be happy to have one of the staff peruse it.

We had a custom in the Massachusetts legislation when I was speaker there, of allowing Republicans to be acting speaker. This is a prerogative, of course, which normally goes to the Speaker, but the custom in the House of Representatives is that only the majority party Members serve as Speaker. So, in view of the fact, JOHN, that you only have this opportunity once every 2 years for the use of a gavel, I want to present this gavel to you. [Applause.]

I am deeply grateful to each of you for honoring me with a second term as Speaker.

I am equally grateful to the voters of the Eighth Congressional District of Massachusetts who have honored me with this, my 14th term in Congress. I will spare no effort to justify their faith and yours.

Shortly each of us will take the oath as Members of the 96th Congress. We can, and should, do so proudly.

Each of us sought to serve in Congress. There should be no embarrassment in that decision. No other career offers as many opportunities to help people. No other career offers the same range of challenges and responsibilities. No other career attracts as many honorable people, men and women, willing to live their lives in a fishbowl in order to serve the public.

Each of us has been elected by our constituents. Our first duty is to keep in touch with them. We must confirm their confidence in us.

Together we represent every segment of American society. Together we try to blend, and sometimes overcome, individual interests in order to promote the national and public interest.

This is the genius of the House.

We will make mistakes, for we are ordinary people trying to grapple with extraordinary problems. But to try and fail is far better than not to try at all.

We will come in for more than our share of criticism, as we have in the past. Some of our colleagues will join in. To the extent that they impugn the House, they succeed only in diminishing themselves and in making worse the very problems they care about. And our job is already difficult enough.

Together we must insure that our tax dollars are being well spent.

Together we must find ways to control inflation without tolerating higher unemployment. [Applause.]

Together we must find a way to provide adequate health care to all Americans without generating unacceptable budget deficits.

Together we must find a way to restrict the role of special interest money in congressional campaigns without choking off public participation. [Applause.]

Together we must set priorities that promote the dignity and security of all Americans.

Every day we hear it said that government is not the answer to our problems. But that government may not be the answer does not mean that government need not find the answers.

Ours is the greatest Nation in the history of mankind. We have not attained greatness by avoiding challenges. To the contrary, in the face of adversity, Americans pull together and find solutions.

Let us all, America's elected representatives, men and women of good will, work together during the next 2 years to find the answers to our pressing problems. Let us strive to bring further credit to this great institution of which we are a part.

I thank you from the bottom of my meaningful heart for putting me in this position of authority. I will remember that the gavel is the token of power, the token of responsibility and the token of privilege. I will always use it that way and use it well.

Thank you. [Applause.]

☐ 1405

May I say how grateful I am to the leadership on both sides of the aisle and express my particular thanks to Congressman EDWARD BOLAND and Congressman SILVIO CONTE for their graciousness toward me today.

[Applause, the Members rising.]

I am now ready to take the oath of office.

I ask the dean of the House of Representatives, the Honorable JAMIE L. WHITTEN of Mississippi, to administer the oath of office.

(Mr. WHITTEN then administered the oath of office to Mr. O'NEILL, of Massachusetts.)

The SPEAKER. I have been asked by the press what the thrill was in having been elected Speaker for a second time and in having taken the oath on seven different occasions.

Actually, that is part of the honor and the glory which attaches to the office.

I am delighted. I think I should mention, by the presence of my grandchildren and their grandmother today in the gallery.

[Applause, the Members standing.]

SWEARING IN OF MEMBERS

The SPEAKER. According to the precedent, the Chair will swear in all Members of the House at this time.

If the Members will rise, the Chair will now administer the oath of office.

(The Members-elect and Delegates-elect rose, and the Speaker administered the oath of office to them.)

The SPEAKER. Having taken the oath of office, the gentlemen and gentlewomen are now officially declared to be Members of the 96th Congress.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make the following announcement:

As has been the custom in the past, the Speaker, the majority leader, and the minority leader usually have their pictures taken in the Speaker's office immediately after the swearing in exercise.

As soon as we get into the rules of the House, we will proceed with that matter.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

MAJORITY LEADER

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus, I have been directed, by the unanimous vote of that caucus, to report to the House that the Democratic Members have selected as majority leader for the 96th Congress the very distinguished gentleman from Texas, the Honorable JIM WRIGHT.

The SPEAKER. The Chair now recognizes the gentleman from Illinois (Mr. ANDERSON).

☐ 1410

MINORITY LEADER

Mr. ANDERSON of Illinois. Mr. Speaker, as chairman of the Republican Conference, I am directed by that Conference to officially notify the House that the gentleman from Arizona, the Honorable JOHN J. RHODES, has been selected as the minority leader of the House.

MAJORITY WHIP

Mr. WRIGHT. Mr. Speaker, I have the honor to advise the Members of the House that the gentleman from Indiana, Mr. BRADEMAS, will act as whip of the Democratic Party for the 96th Congress.

MINORITY WHIP

Mr. ANDERSON of Illinois. Mr Speaker, as chairman of the Republican Conference, I am directed by that Conference to notify the House officially that the Republican Members have selected as minority whip the gentleman from Illinois, the Honorable ROBERT MICHEL.

ELECTION OF CLERK OF THE HOUSE, SERGEANT AT ARMS, DOORKEEPER, POSTMASTER, AND CHAPLAIN

Mr. FOLEY. Mr. Speaker, I offer a resolution (H. Res. 1) and ask for its immediate consideration

The Clerk read the resolution, as follows:

H. RES. 1

Resolved, That Edmund L. Henshaw, Jr., of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Kenneth R. Harding, of the Commonwealth of Virginia, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That James T. Molloy, of the State of New York, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Robert V. Rota, of the Commonwealth of Pennsylvania, be, and he is hereby, chosen Postmaster of the House of Representatives.

That Reverend James David Ford, of the State of New York, be, and he is hereby, chosen Chaplain of the House of Representatives.

Mr. ANDERSON of Illinois. Mr. Speaker, I shall offer a substitute for the resolution just offered by the gentleman from Washington (Mr. FOLEY), but before offering the substitute, I request that there be a division of the question on the resolution so that we may have a separate vote on the Office of Chaplain.

The SPEAKER. The question is on agreeing to the portion of the resolution providing for the election of the Chaplain.

That portion of the resolution was agreed to.

AMENDMENT OFFERED BY MR. EDWARDS OF ALABAMA AS A SUBSTITUTE FOR THE REMAINDER OF THE RESOLUTION

Mr. EDWARDS of Alabama. Mr. Speaker, I offer an amendment as a substitute for the remainder of the resolution.

The Clerk read the substitute amendment, as follows:

Amendment offered by Mr. Edwards of Alabama as a substitute for the remainder of House Resolution 1:

Resolved, That Joe Bartlett, of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Walter P. Kennedy, of the State of New Jersey, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That Tommy Lee Winebrenner, of the State of Indiana, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Ronald W. Lasch, of the State of New Jersey, be, and he is hereby, chosen Postmaster of the House of Representatives.

The SPEAKER. The question is on the substitute amendment offered by the gentleman from Alabama (Mr. EDWARDS).

The substitute amendment was rejected.

The SPEAKER. The question is on the resolution offered by the gentleman from Washington (Mr. FOLEY).

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1415

The SPEAKER. Will the officers elected present themselves in the well of the House?

The officers-elect presented themselves at the bar of the House and took the oath of office.

NOTIFICATION TO SENATE OF ORGANIZATION OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 2) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 2

Resolved, That a message be sent to the Senate to inform that body that a quorum of the House of Representatives has assembled; that THOMAS P. O'NEILL, JR., a Representative from the State of Massachusetts, has been elected Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, has been elected Clerk of the House of Representatives of the Ninety-sixth Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF THE ASSEMBLY OF THE CONGRESS

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 3), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 3

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make, the gentleman from Texas (Mr. WRIGHT), the gentleman from Arizona (Mr. RHODES), and the gentleman from Indiana (Mr. BRADEMAS).

AUTHORIZING THE CLERK TO INFORM THE PRESIDENT OF THE UNITED STATES OF THE ELECTION OF THE SPEAKER AND THE CLERK OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 4) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 4

Resolved, That the Clerk be instructed to inform the President of the United States that the House of Representatives has elected THOMAS P. O'NEILL, JR., a Representative from the State of Massachusetts, Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, Clerk of the House of Representatives of the Ninety-sixth Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Clerk advises the Chair that many Members have not picked up their new identification voting cards. Members should obtain their cards in the lobby prior to the first electronic vote.

RULES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 5) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 5

Resolved, That the Rules of the House of Representatives of the Ninety-fifth Congress, including all applicable provisions of law which constituted the rules of the House at the end of the Ninety-fifth Congress, be, and they are hereby, adopted as the Rules of the House of Representatives of the Ninety-sixth Congress, with the following amendments included therein as part thereof, to wit:

(1) In Rule I, clause 1 is amended to read as follows:

"1. The Speaker shall take the Chair on every legislative day precisely at the hour to which the House shall have adjourned at the last sitting and immediately call the Members to order. The Speaker, having examined the Journal of the proceedings of the last day's sitting and approved the same, shall announce to the House his approval of the Journal, and the Speaker's approval of the Journal shall be deemed to be agreed to subject to a vote on agreeing to the Speaker's approval on the demand of any Member, which vote, if decided in the affirmative, shall not be subject to a motion to reconsider. It shall be in order to offer one motion that the Journal be read only if the Speaker's approval of the Journal is not agreed to, and such motion shall be determined without debate and shall not be subject to a motion to reconsider.";

(2) In Rule I, clause 5 is amended by inserting "(a)" immediately after "5" and by adding at the end of such clause the following new paragraph:

"(b)(1) On any legislative day whenever a recorded vote or the yeas and nays are ordered on the question of passing bills or resolutions or agreeing to conference reports, or when a vote is objected to under clause 4 of Rule XV on the question of passing bills or resolutions or agreeing to conference reports, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days.

"(2) At the time designated by the Speaker for further consideration of proceedings postponed under subparagraph (1), the Speaker shall put each question on which further proceedings were postponed, in the order in which that question was considered.

"(3) At any time after the vote has been taken on the first question on which the Speaker has postponed further proceedings under this paragraph, the Speaker may, in his discretion, reduce to not less than five minutes the period of time within which a rollcall vote by electronic device on the question may be taken without any intervening business on any or all of the additional questions on which the Speaker has postponed further proceedings under this paragraph.

"(4) If the House adjourns before all of the questions on which further proceedings were postponed under this paragraph have been put and determined, then, on the next following legislative day the unfinished business shall be the disposition of all such questions, previously undisposed of, in the order in which the questions were considered.";

(3) In Rule I, insert at the end thereof the following new clause:

"9. (a) He shall devise and implement a system subject to his direction and control for closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees and in such other places in the Capitol and the House Office Buildings as he deems appropriate. Such system may include other telecommunications functions as he deems appropriate.

"(b)(1) He shall devise and implement a system subject to his direction and control for complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives. He shall provide for the distribution of such broadcasts and recordings thereof to news media and the storage of audio and video recordings of the proceedings.

"(2) All television and radio broadcasting stations, networks, services, and systems (including cable systems) which are accredited to the House radio and television correspondents' galleries, and all radio and television correspondents who are accredited to the radio and television correspondent's galleries shall be provided access to the live coverage of the House of Representatives.

"(3) No coverage made available under this clause nor any recording thereof shall be used for any political purpose.

"(4) Coverage made available under this clause shall not be broadcast with commercial sponsorship except as part of bona fide news programs and public affairs documentary programs. No part of such coverage or any recording thereof shall be used in any commercial advertisement.

"(c) He may delegate any of his responsibilities under this clause to such legislative entity as he deems appropriate.";

(4) In Rule X, clause 1(e)(1) is amended by inserting the following immediately after the phrase "No Member": ", other than the representative from the leadership of the majority party and the representative from the leadership of the minority party,";

(5) In Rule X, clause 1(e)(1) strike out the word "two" and insert in lieu thereof "three" in the second sentence, and insert the following at the end of the second sentence: ", except that an incumbent chairman having served on the committee for three Congresses and having served as chairman of the committee for not more than one Congress shall be eligible for reelection to

the committee as chairman for one additional Congress";

(6) In Rule X, clause 1(t) is amended by striking the period at the end thereof and inserting the following: ", and the functions designated in title I of the Ethics in Government Act of 1978.";

(7) In Rule X, clause 4(e)(2) is amended by adding a new subparagraph at the end thereof:

"(F) No information or testimony received, or the contents of a complaint or the fact of its filing, shall be publicly disclosed by any committee or staff member unless specifically authorized in each instance by a vote of the full committee.";

(8) In Rule X, clause 6(f) is amended to read as follows:

"(f) The Speaker may appoint the Resident Commissioner from Puerto Rico and Delegates to the House to any select committee and to any conference committee that is considering legislation reported from a committee on which they serve.";

(9)(a) In Rule XI, clause 2(g)(2), immediately after the first sentence, insert the following language: "Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

"(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause 2(k)(5) of Rule XI; or

"(B) may vote to close the hearing, as provided clause 2(k)(5) of Rule XI."; and

(b) Strike subsection (5) from Rule XI, clause 2(k) and insert in lieu thereof the following language:

"(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

"(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

"(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpena additional witnesses.";

(10) In Rule XI, the second sentence of clause 2(l)(6) is amended by striking out "two hours" and inserting in lieu thereof "three calendar days, excluding Saturdays, Sundays, and legal holidays during which the House is not in session";

(11)(a) In Rule XI, clause 4(e) is amended to read as follows:

"(e)(1) On any legislative day when reports from the Committee on Rules are being considered, the Speaker may announce to the House, in his discretion, before consideration of the first resolution, that he will postpone further proceedings on such of the resolutions reported from that committee as he may designate if a recorded vote or the yeas and nays are ordered or if the vote is objected to under clause 4 of Rule XV when the Chair puts the question on the previous question or on the adoption of the resolution, until

"(A) all such resolutions on that legislative day have been considered and any debate thereon concluded, with the question having been put and determined on each such resolution on which the taking of the vote will not be postponed; or

"(B) the next legislative day, with the question having been put and determined on each such resolution on which the taking of the vote will not be postponed.

"(2) Where the Speaker has postponed votes pursuant to paragraph 4(e)(1)(A) of this clause, when the last of such resolutions so designated has been considered and any debate thereon concluded, with the question put and determined on each such resolution on which further proceedings were not postponed, the Speaker shall put the appropriate question on each such resolution on which further proceedings were postponed in the order in which each such resolution was considered.

"(3) Where the Speaker has postponed votes pursuant to paragraph (e)(1)(B) of this clause, on the next legislative day the Speaker shall put as unfinished business the appropriate question on each such resolution on which further proceedings were postponed in the order in which each such resolution was considered.";

(b) Redesignate subparagraphs (3) and (4) as (4) and (5) respectively.;

(12) In Rule XV, clause 5, add at the end thereof the following new sentence: "The Speaker may, in his discretion, announce after a rollcall vote has been ordered on a motion to recommit a bill, resolution, or conference report thereon, that he may reduce to not less than five minutes the period of time in which a rollcall vote, if ordered, will be taken by electronic device on the question of passage or adoption, as the case may be, on such bill, resolution, or conference report thereon if the question on final passage or adoption follows without intervening business the vote on the question of recommittal.";

(13)(a) In Rule XV, clause 6(e)(2) is amended to read as follows:

"(2) Notwithstanding subparagraph (1), it shall always be in order for a Member to move a call of the House when recognized for that purpose by the Speaker, and when a quorum has been established pursuant to a call of the House, further proceedings under the call shall be considered as dispensed with unless the Speaker, in his discretion, recognizes for a motion under clause 2(a) of this rule or for a motion to dispense with further proceedings under the call."; and

(b) In Rule XV, clause 2(a), insert after the word "present" the first time it appears the following: ", subject to clause 6(e)(2) of this rule";

(14) In Rule XXIII, amend clause 2 to read as follows:

"2. (a) A quorum of a Committee of the Whole shall consist of one hundred Members. The first time that a Committee of the Whole finds itself without a quorum during any day, the Chairman shall invoke the procedure for the call of the roll under clause 5 of Rule XV, unless, in his discretion, he orders a call of the Committee to be taken by the procedure set forth in clause 1 or clause 2(b) of Rule XV. If on such call, a quorum shall appear, the Committee shall continue its business; but if a quorum does not appear, the Committee shall rise and the Chairman shall report the names of the absentees to the House. After the roll has been once called to establish a quorum during such day, the Chairman may not entertain a point of order that a quorum is not present unless the Committee is operating under the five-minute rule and the Chairman has put the pending motion or proposition to a vote; and if the Chairman sustains a point of order that a quorum is not present after putting the question on such a motion or proposition, he may announce that following a regular quorum call conducted pursuant to the previous provisions of this clause, he will reduce to not less than five minutes the period of time within which a recorded vote on the pending question may be taken if such a vote is ordered. If, at any time during the conduct of any quorum call in a Committee of the Whole, the Chairman determines that a quorum is present, he may, in his discretion and subject to his prior announcement, declare that a quorum is constituted. Proceedings under the call shall then be considered as vacated, and the Committee shall not rise but shall continue its sitting and resume its business.";

(15) In Rule XXIII, add the following new paragraph after clause 2(a):

"(b) In the Committee of the Whole, the Chair shall order a recorded vote on request supported by at least twenty-five Members.";

(16) In Rule XXIII, clause 8 is amended by adding at the end thereof the following: "It shall not be in order in the House or in a Committee of the Whole to consider an amendment to a concurrent resolution on the budget, or any amendment to an amendment thereto, unless the concurrent resolution as amended by such amendment or amendments (a) would be mathematically consistent; and (b) would contain all the matter set forth in paragraphs (1) through (5) of section 301(a) of the Congressional Budget Act of 1974.";

(17) In Rule XXVII, add at the end of clause 2 before the period the following provisions: ", except that a second shall not be required on a motion to suspend the rules where printed copies of the measure or matter as proposed to be passed or agreed to by the motion have been available for one legislative day before the motion is considered";

(18)(a) In Rule XXVII, amend clause 3 to read as follows:

"3. (a) When a motion to suspend the rules has been submitted to the House or has been seconded pursuant to clause 2 of this rule, it shall be in order, before the final vote is taken thereon, to debate the proposition to be voted upon for forty minutes, one-half of such time to be given to debate in favor of, and one-half to debate in opposition to, such proposition; and the same right of debate shall be allowed whenever the previous question has been ordered on any proposition on which there has been no debate.

"(b)(1) On any legislative day on which the Speaker is authorized to entertain motions to suspend the rules and pass bills or resolutions, including the last six days of a session, he may announce to the House, in his discretion, before entertaining the first such motion, that he will postpone further proceedings on each of such motions on which a recorded vote or the yeas and nays is ordered or on which the vote is objected to under clause 4 of rule XV, until—

"(A) all of such motions on that legislative day have been entertained and any debate thereon concluded, with the question having been put and determined on each such motion on which the taking of the vote will not be postponed; or

"(B) the next legislative day, with the question having been put and determined on each such motion on which the taking of the vote will not be postponed.

"(2) Where the Speaker has postponed votes pursuant to paragraph (b)(1)(A) of this clause, when the last of all motions on that legislative day to suspend the rules and pass bills or resolutions has been entertained and any debate therein concluded, the Speaker shall put the question on each motion which further proceedings were postponed, in the order in which that motion was entertained.

"(3) Where the Speaker has postponed votes pursuant to paragraph (b)(1)(B) of

this clause, on the next legislative day the Speaker shall put as unfinished business the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.";

(b) Redesignate subparagraphs (3) and (4) as (4) and (5) respectively.;

(19)(a) In Rule XXVIII, clause 2, add the following new subclause:

"(c) Any conference report and Senate amendment in disagreement which has been available as provided in paragraphs (a) and (b) of this clause shall be considered as having been read when called up for consideration.";

(b) In Rule XXVIII, clause 4(a)(2) insert after the word "statement" the following: "or immediately upon consideration of a conference report if clause 2(c) of this rule applies,"; and

(c) In Rule XXVIII, clause 6 (b)(1), insert after the word "statement" the following: ", or immediately upon consideration of a conference report if clause 2(c) of this rule applies";

(20) In Rule XLIII insert immediately after clause 10 the following new clause:

"11. A Member of the House of Representatives shall not authorize or otherwise allow a non-House individual, group, or organization to use the words 'Congress of the United States', 'House of Representatives', or 'Official Business', or any combination of words thereof, on any letterhead or envelope.";

(21) Rule XLIV is amended to read as follows:

"Financial Disclosure

"1. A copy of each report filed with the Clerk under title I of the Ethics in Government Act of 1978 shall be sent by the Clerk within the seven-day period beginning the date on which the report is filed to the Committee on Standards of Official Conduct. By July 1 of each year, the Clerk shall compile all such reports sent to him by Members within the period beginning on January 1 and ending on May 15 of each year and have them printed as a House document, which document shall be made available to the public.

"2. For the purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be deemed to be a rule of the House as it pertains to Members, officers, and employees of the House of Representatives.";

(22) In Rule XLVII, clause 2 is amended by striking out "$750" and inserting "$1,000";

(23) In Rule XLVIII clause 4 is amended by striking out "5 (a), (b), and (c)," and inserting in lieu thereof "5 (a), (b), (c), and 6(c)";

Mr. WRIGHT (during the reading). Mr. Speaker, in view of the fact that there are 500 copies of the printed resolution available to the Members on the floor of the House, I ask unanimous consent that further reading of the resolution be dispensed with, that it be printed in the RECORD at this point, and that I be recognized for purposes of debate on the resolution.

□ 1420

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

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I am not going to object at this point because, as we know, the majority has the power to enact the rules.

I think the record ought to show that many of us are not totally pleased with them. I think in many ways they will serve the democratic spirit we thought was moving 2 years ago.

After saying that and making sure the record reflects that, Mr. Speaker, I am going to withdraw my reservation of objection.

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

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. WRIGHT. Mr. Speaker, I yield, for purposes of debate only, 30 minutes of that hour to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), and pending that, I yield myself such time as I may require.

Mr. Speaker, these are only a few changes recommended by the Democratic Caucus and brought to the body with the imprimatur of the Democratic Caucus of the House.

The rules changes we propose are modest. Their thrust is to assist the House in facilitating the business of the House. I think basically these changes embodied in this resolution will do four things:

First, some of the changes would grant authority to the Speaker to group record votes in clusters in order to expedite the consideration of relatively noncontroversial legislation. The purpose of this, quite obviously, is to save time.

The second group of changes would extend to the Speaker authority to expedite the purely procedural business of the House by delaying points of order and incidental motions while preserving the constitutional requirement of a quorum to conduct all business. Once again, it is an attempt, quite simply, to expedite the business of the House.

The third group of changes would expedite the voting procedures in the Committee of the Whole, and the fourth group would require amendments to the budget resolution to address both the aggregate totals and the coresponding functional categories in a consistent manner.

This is all these changes would accomplish. Each year at this time it is the responsibility of the majority party in the House to bring to the House such changes in the rules as its Members in their wisdom deem appropriate. This we do on this occasion.

We anticipate that the Members of the minority party, our friends from the other side of the aisle, will wish to debate the propriety of some of these changes and will wish to assert their objections to some of them, and thereafter there will be a vote on the previous question.

We would anticipate that all of the Members on the Democratic side, as has been the tradition unbrokenly in the past, will support the decision of the Democratic Caucus and of the majority party. Basically, the purpose of these changes is to save the time of the House, to save the taxpayers waste of that valuable time, and to save Members the harassment that has sometimes come from procedural demands that they present themselves and vote on meaningless votes.

For those reasons, Mr. Speaker, I would withhold the remainder of the time available to this side of the aisle and yield to my friend, the minority leader, such portion of the 30 minutes as is available to the other side as he and those he may designate would wish to consume in debate only.

Mr. RHODES. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the package of rules proposals under consideration today includes a number that are designed to concentrate, in the name of efficiency, enormous powers in the hands of one individual—the Speaker.

While I am confident that our present Speaker would never abuse these powers, there is no way to predict the future. We may be establishing a precedent here that could prove troublesome in future Houses. As any student of this body knows, powers once granted this way are not easily rescinded.

In addition, this concern with speeding up the legislative process ignores a far more serious problem—whether we should even be legislating as much as we do. A recent study indicated that, in the 95th Congress, the House devoted an average of about 50 minutes of floor debate to each of the 670 or so measures which eventually became law.

Instead of seeking to speed up this process even more, we should be concerned with improving the quality of legislation, and with providing all Members an opportunity to gain a thorough understanding of the issues before them.

The Speaker has indicated that the 96th should be an oversight Congress, devoted to analyzing and reviewing past legislation with an eye to improvement, and where appropriate, elimination. We Republicans have long believed that Congress has woefully neglected its oversight function, and I heartily welcome the Speaker to our point of view.

Unfortunately, the rules we are being called upon to adopt today will carry us in just the opposite direction.

The old saying that, as the twig is bent, so grows the tree, essentially means that decisions made early in life can affect an individual's entire future. That maxim applies equally to great institutions, such as this House.

There are some who tend to view debates over rules as something of an "insiders" game, of interest largely to a handful of parliamentary tacticians, and not something of concern to the general public.

But, the kind of operating rules we adopt will profoundly affect the direction this House—and future Houses—will take, and greatly influence the shape of legislation that emerges.

And I would remind my colleagues on the other side of the aisle that this body legislates not only for those constituents whose Representatives may form a majority of the caucus. This body legislates on behalf of all Americans, including the 47 percent who voted for Republican congressional candidates across the Nation.

Therefore, I believe it is critical to the credibility of this body that the rules we

adopt not only are perceived as being fair to the minority as well as the majority, but that the manner in which the rules are adopted also is perceived as being fair and open.

In this regard, we do ourselves, and the public, a serious injustice by considering these changes under a rule that permits only 1 hour of debate followed by a single take-it-or-leave-it vote on the entire package, with no opportunity for changes or amendments from the floor. The result is to exclude more than one-third of this body from any real say in formulating the rules by which they will be expected to abide. Beyond that, it prevents Members of the other side of the aisle from considering minority proposals which may well gain the support of a substantial majority once they are heard.

The rules of the House are too important to be treated almost like a minor housekeeping measure. That is why I am urging that the previous question be defeated.

If this is done, I intend to offer a resolution providing for the immediate adoption of the rules of the House for the 95th Congress and establishing an orderly procedure for early, open, and full consideration of amendments that Members may wish to offer.

☐ 1425

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, a few years ago this House was all awash in glorious sunshine as we opened up our committees, and conferences, and caucuses and votes to the public. It was the dawning of the age of Aquarius, and the theme song of the reformers was, "Let the sunshine in." And yet, every 2 years we are still shackled with this relic of the Dark Ages—this sunset resolution. Yes, this is a sunset resolution in the worst sense of that term because it brings an end to all that sunshine; it causes the sun to set on democratic procedures; it leaves more than a third of the Members of this body in the dark; and it locks the 80 million Americans they represent out of their own House. In fact, it casts a giant shadow over this entire House by preventing all 435 Members from offering any amendments to their own rules from the floor of this body.

Now the majority leader may argue that this is tradition, this is precedent, this is the way it has always been done. But that is just not the case. Dr. George Galloway, for instance, in his excellent "History of the House of Representatives," recounts how it was customary during the latter part of the last century for the House to spend several days at the beginning of each Congress debating and amending its rules. As he recalls it, it was a way for Members to get to know each other and familiarize themselves with the rules under which they would be operating for the next 2 years. But perhaps more importantly, it was a way for all Members to begin fully participating in the important process and institution to which they had been elected. They were truly discharging their duty under article I, section 5 of the Constitution which states that, "each House may determine the rules of its proceedings." Notice that the Constitution specifies, each "House," and not just the majority party caucus. The rules of this House apply to all Members, belong to all Members, and should be determined by all Members—not just the majority party. The Constitution is unequivocal on that point.

This 1-hour, no-amendment procedure under which we are being asked to adopt our rules today makes a mockery of our democracy and a travesty of our Constitution. This is not the way we consider important legislation and it should not be the way we consider our own rules. The Rules of the House of Representatives are no less important nor more sacrosanct than the legislation which comes before this body.

Mr. Speaker, the only way we can hope to restore democratic procedures to this rules debate is to vote down the previous question so that a substitute resolution can be offered which will permit amendments to the rules from the House floor. The minority leader is prepared to offer such a resolution if we succeed in defeating the previous question. I hope that course of action will prevail for the benefit of all freely elected and free-thinking and acting Members of this body.

We are not asking that the entire Democratic Caucus rules package be rejected in favor of a Republican rules package. There are many rules changes proposed by the caucus that we can support, and we would like to think we have several meritorious proposals that would be acceptable on the other side of the aisle. This is not a partisan question; it is an institutional issue and prerogative. All we are asking is that each of these proposed amendments to our rules be considered and voted on separately. And that is just what our substitute resolution would permit—separate consideration of all amendments under the 5-minute rule.

Given the opportunity, for instance, we would like to offer rules changes which would strengthen ethics investigatory procedures, strengthen our oversight mechanisms, tighten up on the House broadcast rule, permit greater accountability and participation in committee voting through recorded votes, abolishing proxy voting, restoring the majority quorum requirement for committee business, and requiring verbatim transcripts of conference committee meetings. These are just a few of our suggestions. They are not partisan proposals. They are designed to improve the effectiveness and openness of this institution which is now held in minimum high regard by the public. I am sure Members on both sides of the aisle have other worthwhile proposals they would like the House to consider. Let us give all Members their constitutional right to truly determine the rules of their own proceedings. Vote down the previous question so we can have that chance.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker pro tem, I think it is interesting that the House should proceed to debate the first major issue facing the House of Representatives with probably 90 percent of the Members absent. Having taken the oath they have simply left the scene. I hope it is not a true commentary on the attitude of the House of Representatives.

In view of these absences a quorum call might be in order—is that not right, Mr. Speaker?—and it might be one of the last times a Member could produce a quorum under our new rules. I make that as a parliamentary inquiry: Is a quorum call in order at this time?

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). According to the precedents, prior to the adoption of the rules, a point of order would be in order.

Mr. BAUMAN. That is correct under general parliamentary law. I just wanted to make the point, that this may be one of the last times we could get a quorum to hear anything debated in the House.

I just heard our Speaker say in his acceptance speech: "We cannot attain greatness by avoiding challenges." That is a ringing declaration, but the House is about to adopt, to swallow whole a set of predetermined rules which are tailormade to avoid disagreeable challenges and calculated to diminish the greatness of the House.

It is rather like a bridegroom who agrees to accept impotence on his wedding night. You gentlemen fought and cleared your way here in order to have a chance to say something about the issues facing the Nation. But a majority of you will vote down the line for a set of rules that seeks to avoid the issues.

Are you concerned about inflation and a balanced budget? Do you want to support the right to life? Are you happy with our foreign policy? These rules will seriously curtail your rights. Is it more important to watch the thumb of the gentleman from Indiana (Mr. BRADEMAS), the majority whip? The thumb of the gentleman from Indiana (Mr. BRADEMAS) will indicate by its motion up or down as you come through the door how to vote. But is that why your people elected you?

That is not what you fought for to get elected to the Congress of the United States.

I hope those who will revel at their victory celebrations today will also have the courage to stand up against the imperial speakership and vote against these rules.

This is your first chance to vote. When the previous question comes before us I urge a "no" vote. It is not just the previous question before us but a whole host of important issues these rules will govern. Your vote will affect the integrity of the body the Speaker just praised for its history and future.

I urge you to vote "no." It does not hurt. It is not a bad way to start out in this Congress.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I have the same objections as the previous speaker,

the gentleman from Maryland, about the way this matter is being handled. As usual, we are doing so without amendment, without even the possibility of amendment, and therefore we cannot properly discuss the rules because we cannot suggest amendments to them.

Obviously the House is accepting this first opportunity to avoid the challenges the Speaker said he could hardly wait to accept. As usual, our majority Members who are the first who claim themselves to be in support of minorities, the disadvantaged and the rights of all, can hardly wait to suppress the rights of those who would like to have a chance to debate some of these very important matters.

The gentleman from Maryland was absolutely right when he said that those who vote to support these rules or those who vote for the previous question are voting away their opportunities for debate and for voting on important substantive issues later in the session.

The many flaws in these rules, and there are many, the ones that bother me most, Mr. Speaker, are the rules on proxy voting and short quorums.

Many of our Members, particularly our newer ones, who will vote in support of these rules, campaigned vigorously for the right to vote and to represent the people who sent them here.

Yet, after working so hard to earn the right to vote here, they are cheerfully today going to give away that right by allowing others to vote for them. In my opinion the use of proxies in committees is antithetical to the democratic process. I am slightly ashamed that the majority intends again to make use of that system to carry on its business.

It stimulates absence, gives enormous power to committee chairmen, and provides a false committee voting record. There is simply no excuse for giving away our precious right to vote for our constituency. Another egregious flaw in these rules is the system of operating a committee with less than half the membership present. I do not know of any other legislative body anywhere that makes decisions with less than half of the members present. The operation of a committee with less than half of its membership is obviously ridiculous.

If your constituents knew that you were going to adopt rules without opportunity for amendment, that you were going to give away your vote by proxy, or that you were going to allow committees to make decisions with only one-third of its members on hand, I believe that they would not only be displeased, but they would be outraged.

We ought to vote down the previous question.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I believe a majority of the Members of this House were elected on promises to restrain the runaway growth of the Federal budget. This is especially true of many freshmen joining us today.

It is with regret, therefore, that I note that this rules change being pushed by the leadership, would create new handicaps we would need to overcome to establish a rational, frugal fiscal policy.

I believe the purpose of the Budget Reform Act of 1974 was to give Congress the process necessary to establish fiscal policy. The budget resolution for each fiscal year is the instrument by which we set policy on total Federal spending, revenues, and debt after consideration of conditions in the national economy.

It is the habit of both House and Senate Budget Committees, however, to deal with all of specific categories of spending before considering the aggregates. We find ourselves in the position of adding up numbers to arrive at total spending, instead of first establishing a ceiling and then considering specific priorities.

In other words, the system is operating in reverse of how it should be functioning.

Last year, I attempted to correct the problem with budget amendments that would have enabled the Budget Committee and the House to establish fiscal policy before proceeding to deliberation on specific spending categories. Those efforts lost on extremely close votes.

The reaction of the House leadership is embodied in this rules change we see before us today. It would prohibit consideration of any budget amendment that did not include amounts for every category of the budget.

Thus, the leadership intends to force us into debate on the relative merits of Government programs and activities before we establish fiscal policy.

That is why this rules change is so dangerous, Mr. Speaker. It thwarts the real purpose of the budget process and makes fiscal discipline more difficult.

If Members of this House were really serious in their election campaign promises to restrain Federal spending, then they will vote to defeat the previous question to allow consideration of alternative rules.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman from Arizona (Mr. RHODES) for yielding me this time.

Mr. Speaker, the package of rule changes which have been presented to the House by the Democratic Caucus suffers from a number of fatal flaws. Therefore, I would urge my colleagues—especially those from the other side of the aisle who, today, will be casting their first votes in the House of Representatives—to join me in voting against the previous question. This will permit more extensive debate and allow all the Members of the 96th Congress to work their will on the rules and procedures which will govern our actions for the next 2 years.

I take the floor today not to oppose each and every rule change presented to us. A few of the provisions of the package would, indeed, improve the operation of the House of Representatives. However, I am concerned that adoption of the rules, as set forth in the resolution now before us, will result in our being known as the "absentee"—as opposed to "oversight"—Congress.

We ought to be structuring our procedures to insure more active participation in committee and floor proceedings. Three areas of particular concern to me are use of the suspension calendar, proxy voting in committees, and finally, cluster voting on the final passage of bills, resolutions and conference reports.

I have long been concerned with the use and abuse of the Suspension Calendar. Suspending the House rules and passing a bill with only 40 minutes of debate was originally intended to be used for housekeeping or noncontroversial matters. In recent years, however, the House has passed legislation authorizing the expenditure of billions of dollars under this procedure. The $100 million in 1 fiscal year limitation proposed by the Democratic Caucus is, in my opinion, inadequate. It would seem that a lower dollar figure, perhaps $20 or $25 million, would be more appropriate and lend some credibility to hue and cry for fiscal conservatism. I also am opposed to any changes which would permit the scheduling of bills under suspension of the rules with less notice to Members. Many students of the House have argued that the Speaker and leadership of the House already have too much power and discretion in this regard. We need as much time as possible to consider and reflect upon the consequences of our actions.

The fact that the resolution now before us does not do anything to prohibit or otherwise restrain proxy voting in committees is equally disturbing. An objective observer would be justified in wondering exactly how a Representative is spending his or her time when we excuse that person from being present at committee meetings while, at the same time, votes are to be clustered in order to spare a Member the time and trouble of coming to the floor. I know as well as anyone the almost intolerable demands placed on the time of a Congressman. Nonetheless, we should keep in mind that our primary duty in Washington, when the House is in session, is to be present and actively participate in both floor and committee proceedings.

This brings me to the question of postponing and clustering floor votes. I can well appreciate the rationale behind implementing this change. We have already, to a certain extent, clustered votes which are brought to the floor under suspension of the rules. Nonetheless, I have observed that this practice has led to chronic absenteeism while the House is considering each suspension. Then, at the end of the day, we find the Chamber filled with Members who, because they have not listened to the pro and con arguments, are unaware of the implications of legislation that must be voted upon in just 5 minutes. I fear that the cluster voting pro-

vided for in the resolution now before us will only serve to make matters worse.

We all have read of how the 96th Congress is to be pegged the "oversight Congress" with the emphasis not so much on new legislative initiatives as on assessing how current laws and programs are working. This will require the regular attendance and participation of all my colleagues. We ought to adopt rules which will facilitate, rather than hinder, that review process.

☐ 1445

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Speaker, the rules you are being asked to adopt would permit the Committee on Standards of Official Conduct to ignore wrongdoing by Members or committees.

The rules you are being asked to adopt would allow convicted felons to be committee chairmen.

The rules you are being asked to adopt would continue proxy voting in committee and allow as few as one-third of the Members of a committee to act on business before the committee.

The rules you are being asked to adopt have permitted billions of dollars of programs to be enacted under gag suspension rules that permit no amendments—only an up or down vote.

The rules you are being asked to adopt would allow more taxpayer dollars to be spent for Members' and committees' salaries and expenses without even a vote of the full House.

The rules you are being asked to adopt would give the Speaker unprecedented power to conduct House business without a quorum, to further denigrate the suspension process, and to schedule votes when he alone decides it is time.

However, there may be some advantages to the proposed caucus rules changes. If one of your campaign pledges was to be a responsible Member of Congress truly representing the interests of your constituents and this Nation—relax. The effect of these rules will be to lessen the amount of time you have to spend on the House floor or in committee participating in the legislative process. Under the guise of "streamlining," these rules will only promote an absentee Congress.

If we are to have an honest Congress, if we are to have an open Congress, if we are to have a frugal Congress, if we are to have any respect at all for the people who elected us, I urge the defeat of the previous question so that every Member of this great House can help adopt rules that suit the dignity of this body.

The skids are being greased again and the taxpayers are being taken for another ride.

The elected majority in Congress is about to delegate its campaign pledges to a minority through the House rules.

When, oh when, are the public and our colleagues in the media going to realize that inflationary spending and ridiculous Government regulations originate right here in Congress.

What is downtown in the executive branch and the bureaucracy is bad enough, but the root of the problem is in the Democrat congressional leadership's welfare-state concepts that are 30 years old and unworkable today.

When, oh when, are the public and the media going to recognize that the Congress is being run, not by a majority in Congress, but by a majority of the Democrat Caucus—a caucus majority wedded to concepts that are 30 years old.

I ask my colleagues on the majority side, particularly newly elected Members, to consider their campaign pledges for open government, clean government, and lower taxes.

The rules we are being asked to adopt today are a further extension of "King Caucus."

They continue the coverup of wrongdoing.

They exploit the protection of sitting Members at taxpayer expense.

The rules you are being asked to adopt would allow Members to record their floor speeches for broadcast on television at home—at taxpayer expense.

The rules you are being asked to adopt would insure that Members' and committees' expense vouchers would be hidden from the public and published in summary form only.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the previous question. This resolution attempts to establish new rules and to change our procedures rather substantially for those of us who make the attempt to be here and participate in the debate.

We are disappointed at this rather heavyhanded attempt to prevent a full and open airing of these rules changes. We are disappointed that we will again restrict the ability of individual Members to appropriately bring their case to the floor or maintain full presences in a committee.

Mr. Speaker, I am also disappointed with the new rules relating to the budget. The new rules will severely restrict individual Members' ability to participate in the amendment process on the budget resolution when it reaches the floor twice a year.

Mr. Speaker, I urge my colleague to vote down the previous question.

Mr. RHODES. Mr. Speaker, I yield the balance of the time which has been allotted to this side to the gentleman from Illinois (Mr. MICHEL).

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The gentleman from Illinois (Mr. MICHEL) is recognized for 7 minutes.

Mr. MICHEL. Mr. Speaker, consideration of our rules is an important area of discussion, for they are going to determine how we proceed in this House for the next 2 years.

The rules changes proposed are complex and technical. I am going to place in the RECORD an analysis and an expression of my concern over what I consider to be the more significant changes proposed by the majority, but I want to mention the two areas which could lead to the greatest mischief: the postponing of votes and the budget amendments.

Mr. Speaker, the clustering of votes at the end of the day or on the following day may expedite the business of this House, but that practice certainly will not lead to better legislation. It will actually encourage absenteeism, as was alluded to by the gentleman from Iowa (Mr. GRASSLEY), and will tend to inhibit open debate and discussion.

Mr. Speaker, votes on rules reported and suspensions can actually be deferred until the next day, but it is my understanding that the Speaker would give prior notice of these votes if the votes would be deferred.

Is that correct, might I inquire of the majority leader, that on votes having to do with the clustering of suspensions and rules, there would be prior notice given to the Speaker and that this would be the intent and the method for voting on those propositions?

☐ 1450

Mr. WRIGHT. If the gentleman would yield, it certainly is expected that precisely the same procedure that was followed during the last Congress when the Speaker was given the authority to cluster votes on certain motions to suspend the rules would be followed in every instance wherein the rules would permit that discretionary power to be exercised in this Congress.

Mr. MICHEL. I thank the majority leader.

Now if I might ask another question regarding the deferral up to 2 legislative days for votes on final passage of a bill, a resolution, or a conference report. Under these circumstances it is my understanding the Speaker is not obliged to give the House prior notice. What might we expect by way of some indication in that regard?

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

Mr. MICHEL. I would be happy to yield to the distinguished majority leader.

Mr. WRIGHT. I thank the gentleman for yielding.

To the extent that it lies within the power and the knowledge of the majority leader, it would be and will be the purpose of the majority leader to share with the minority such plans as we may have on the majority side for the scheduling of votes under circumstances of that type. The purpose of these changes is to serve the convenience of Members and to permit the Members to know in advance when votes may be scheduled so as to permit them to make their plans intelligently. And that applies to minority Members as well as it does to majority Members.

Mr. MICHEL. I thank the majority leader. I would hope that we on the minority would not have any problem in making that accommodation for both sides from time to time.

Mr. WRIGHT. Would the gentleman yield?

Mr. MICHEL. I will be happy to yield.

Mr. WRIGHT. I thank the gentleman for yielding.

I would like to express the hope that in the past Congress the minority has not experienced any difficulty with being advised freely and frankly to the best of his ability by the majority leader.

Mr. MICHEL. I will say to the gentleman that I have noted a degree of improvement over what we have experienced in some years past, and I am appreciative of that accommodation.

Now if I may direct myself to the Budget Committee changes, these rules changes are actually amendments to the Budget Act. Under these new rules a Member can serve for three consecutive Congresses rather than the two as provided for currently, and a chaiman who has served for only one Congress as chairman can serve for an additional Congress regardless of limitation; and, finally, the leadership appointment for both parties would be exempt from any limitation on the length of service.

I have no particular problem with this, having served on the Budget Committee initially as it was formed, although I remember distinctly the kind of debate that ensued and the reasons for our limiting that service on the Budget Committee to two terms at this time.

Maybe there has been some reason for our extending that now with good conscience, but these amendments to the Budget Act, it seems to me, ought to be debated on their own within the framework of the whole congressional budget process and not simply done as a perfunctory matter here in adoption of the rules. That is my particular concern. I would like to mention the proposed change requiring mathematically consistent amendments to the budget resolutions. This change is obviously designed to gut our Republican effort to amend the Budget Act to provide for a two-step procedure that would deal, first, with those aggregate totals and, second, with the incremental parts that go into making up those functional categories within the previously established limit. Moreover, this rules change, it seems to me, would force the chair for the first time ever to rule on the consistency of an amendment. That is a departure from tradition of the past, and the first Chairman of the Committee of the Whole having to rule on any consistency question will be setting a new precedent in this body.

Inasmuch as these rules to be adopted provide for a code of official conduct, one clause of which reads as follows:

A Member of the House of Representatives who has been convicted by a court of record for the commission of a crime for which a sentence of two or more years' imprisonment may be imposed should refrain from participation in the business of each committee of which he is a member and should refrain from voting on any question at a meeting of the House, or of the Committee of the Whole House, unless or until judicial or executive proceedings result in the reinstatement of the presumption of his innocence or until he is reelected to the House after the date of such conviction.

I have one final question.

By the adoption of these rules is the House prejudging the status or standing of any Member who may have been found guilty of a felony but who has since been reelected to serve in this body? In other words, if a seated Member has been convicted by a court of record during the last Congress and has since been reelected, would a proceeding against that Member for possible referral to the Standards of Official Conduct Committee be foreclosed as a result of our adoption of these rules here today?

☐ 1455

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield to my distinguished friend.

Mr. WRIGHT. Mr. Speaker, there is nothing in these rules today which would foreclose any Member from offering such a motion as the gentleman describes.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired. All time has expired.

Mr. MICHEL. Mr. Speaker, will the distinguished majority leader yield to me a moment that I might propound a further question?

Mr. WRIGHT. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. MICHEL. Mr. Speaker, would adoption of these rules prejudice a possible finding or recommendation of censure or reprimand or any other sanction against a Member by the Committee on Ethics?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield.

Mr. WRIGHT. I do not believe that there is anything contained in the proposed rules changes which would prejudice any Member's right to offer such a motion.

Mr. MICHEL. I thank the gentleman for that response, because there have been a number of inquiries made, particularly from incoming Members on our side. Whether there have been on the gentleman's side, too, I do not know. Many of our freshman Members have made extended and specific inquiry into the procedures under which we have been operating particularly with respect to those Members to which such an action might possibly apply.

We have responded by relating the previous court cases that have followed and tried our best to allay the feelings of these Members that their rights and their prerogatives in this House will not be jeopardized.

I am happy to have the gentleman respond in the fashion that he did to my inquiries.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. Yes.

Mr. WRIGHT. The only substantive change which these rules changes propose with respect to conditions of the type that the gentleman has been citing is the new requirement proposed in the Democratic Caucus to the effect that any Member convicted of a crime of a certain magnitude if recommended by his committee for a subcommittee chairmanship, would have to be ratified in such a role by the members of the caucus. That is the only change that has been made.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. MICHEL. Mr Speaker, since the majority leader and the Democratic Party have a clear majority in this House to make that determination within their own caucus, it is not a prerogative for those of us in the minority, but rather for the majority party who are running things around here to take such appropriate action

I thank the gentleman from Texas for yielding this time.

At this point I would like to include my analysis:

THE DEMOCRAT RULES PACKAGE: AN ANALYSIS OF THE KEY RULES CHANGE

(Prepared by the Office of the Minority Whip, ROBERT H. MICHEL)

INTRODUCTION

The rules changes proposed by the Majority Leadership are expected to be offered as H. Res. 5 of the 96th Congress on January 15, 1979.

There will only be 1 hour debate on the resolution and will not be amendable. Republicans will attempt to defeat the previous question on the resolution to offer our alternative—and open method of consideration of any new rules changes proposed by any member of the House.

The Majority party has gone so far in partisan reform of the rules of the House there has been an erosion of the effectiveness of the House as a deliberative body. The result has been more and more power being concentrated in the office of the Speaker and away from the true Representatives of the people.

The changes proposed by the Majority Party are very technical and their interplay with the other rules and the precedents of the House have been simplified in an attempt to place in some perspective what they will mean for the operation of the House.

The more significant rules changes proposed are grouped and analyzed under the following headings:

(1) "The House's Right To Work Its Will."
(2) Budget Act Amendments.
(3) Postponing Votes.
(4) Committee of the Whole Votes.

(1) "THE HOUSE'S RIGHT TO WORK ITS WILL"

These rule changes transfer to the Speaker more power over the order of business and take away from the House some of its traditional rights to determine how it will proceed with its consideration of legislation:

(a) Approval of Journal:

The Speaker announces his approval of the Journal and it shall be considered agreed to unless a vote is demanded. A motion to reconsider the vote is not in order. A quorum call prior to the approval is not in order.

Since the early days of the House the Speaker takes the chair at the hour indicated and "upon the appearance of a quorum" proceeds to lay before the House the business in order as prescribed under Rule XXIV. The first order of business after the prayer is the approval of the Journal—the official "record" of the House's proceedings. The effect of this rule change is to allow the Speaker to begin business without a quorum present.

(b) Proceedings Under a Call of the House:

This change allows a call of the House, but eliminates the House's right to initiate any other proceedings under the call unless the Speaker desires to entertain one.

The Constitution provides that less than a majority has the right to compel the attendance of absent members. That motion

is "a call of the House". Since the 1800's Speakers have held that the House has the right to have every member present and even if only a few were absent it could send for them if it should desire.

The effect of this rules change is to say that when at least a majority has appeared under the call the Speaker alone has the right to decide whether the House take any other "incidental" action such as sending for any absent members or "dispensing with further proceedings". This amounts to giving the Speaker a right the House has always reserved for itself.

(c) Suspensions—Eliminating Seconds:

No second shall be required on a motion to suspend the rules when printed copies of the motion are available for at least one legislative day prior to its consideration.

The second was a method that the House reserved for itself to prevent consideration of any unwanted business. To prevent the unnecessary consumption of time on a suspension motion the House could vote down "ordering the second" and move on to other business.

It has been normally held that permission to move suspension of the rules should not be lightly given and the Speaker should consider only matters both meritorious and urgent when he believes it is in the best interest of a large majority of the House. With this rules change the House has given to the Speaker the right to bring up virtually any business when printed and available under suspension—the Budget Act or any rule to the contrary notwithstanding—and the House must proceed to consider it.

(2) BUDGET ACT AMENDMENTS

The Majority Caucus made the following rules changes which have the effect of changing the Congressional Budget Act, PL 93-344:

(a) Changes in Rotation of Membership of Budget Committee:

Under the current law members are allowed to serve on the Budget Committee for no more than two complete Congresses. This rule change would allow members to serve on the Budget Committee for three Congresses, and would allow a Chairman of the Budget Committee who has only served for one Congress as a Chairman to serve an additional Congress regardless of the limitation.

Under current law the leadership of both parties is allowed one appointment to the Budget Committee and this rules change would exempt that appointment from the limitation on length of service.

(b) Mathematically Consistent Amendments to Budget Resolutions:

Amendments to concurrent resolutions on the budget would not be in order unless the resolution as amended would be mathematically consistent and would contain the values for the functional categories as well as the aggregates.

The rules change involving the length of service changes the original intent of the Budget Act as far as membership on the Budget Committee in the House of Representatives is concerned. At the time the law was enacted it was felt that it was best to have a rotation of members on the committee so that the entire membership of the House might have an opportunity to serve on the committee and have a better understanding of the budget process. The law requires that the committee be composed of 5 Members from the Committee on Appropriations; 5 Members from the Committee on Ways and Means; one from the Majority Leadership; one from the Minority Leadership; and the remaining 11 from the other standing committees. This change was proposed primarily to allow the current Chairman to serve an additional term. There is some merit in allowing continuity in the position of Chairman and to allow the leadership some flexibility in their appointments. But the change amounts to changing a law by merely amending the rules of the House and should properly be done in an open debate with the full House having the opportunity to work its will.

The rule change requiring mathematical consistency appears to be politically aimed at preventing the Minority party from exercising its method of budgeting. The Minority party has contended that the Congressional Budget Act requires the House to consider spending among the major functional categories on the basis of what monies are available for total budget outlays and budget authority.

Section 301(a)(2) of PL 93-344 requires that the first concurrent resolution on the Budget shall set forth—

"(2) An estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions, based on allocations of the appropriate level of total budget outlays and of total new budget authority, (emphasis added)."

It is our contention that we first must consider what is to be our fiscal policy, by determining total revenues, outlays and a deficit ceiling all in line with current economic climate. Then, based on those levels, the House should proceed to determine expenditures in the specific functional categories.

The Minority believes that this procedure is absolutely necessary since the appropriate Federal fiscal policy at a given point in time is completely independent of, and often completely opposite of, what we as politicians would like to spend on each of several thousand Federal programs.

The effect of the rules change has taken the House in the complete opposite direction and prevents the Minority from offering any amendment just dealing with an aggregate level without also showing a program category change as well. The result is to require every proposed amendment to be related to a program level and prevent the consideration of any amendment dealing only with with the "macro" figures of income versus spending.

This rules change would force the Chair for the first time to rule on the consistency of an amendment. This unprecedented requirement of the Chair in inconsistent with the precedents of the House but also appears inconsistent with the language of the law which states in section 305(a)(3):

"That it shall be in order at any time prior to final passage (not withstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency."

(3) POSTPONING VOTES

The Speaker is giving the discretionary authority to postpone votes on the following questions:

(a) Suspensions and "Rules":

Under this change, the Speaker would have the discretion to postpone votes on the "rules" reported from Rules Committee or suspensions of the rules until the end of all such consideration or until the next legislative day.

(b) Roll Call Votes in the House:

Roll call votes on final passage of a bill, resolution, or conference report may be postponed by the Speaker to a later time on the same day of consideration or within two legislative days of consideration.

These changes give the Majority Leadership very broad discretion in the scheduling of votes on legislation. The only requirement on the Speaker is that he announce his intention to postpone votes in the case of "rules" and suspensions of the rules.

These changes represent the second major step in the virtual elimination of a structured order of business as set forth in Rule XXiV. The Speaker has already disregarded the order of business with the trend toward making more and more business "privileged" through action of the Rules Committee. New authority to postpone votes further concentrates the power to control House activity in the hands of the Speaker.

Vote postponements will lessen the meaning of debate on proposals and eliminate any requirement for the Member to be on the House Floor during consideration of legislation. It also takes public attention away from those debates which spell out for the press and the general public, the pros and cons of the issues before Congress. Postponement also gives the Majority Leadership a great deal more power to schedule votes at times when the Leadership knows enough votes to sustain its position are available. Such a concentration of power is not consistent with the spirit of a truly open and deliberative body.

(4) COMMITTEE OF THE WHOLE VOTES

The Majority Caucus made two changes in the Rules of the House affecting votes in the Committee of the Whole. These changes are:

(a) Number Required For Recorded Vote:

This rules change increased from 20 to 25 the number of Members needed to require a recorded vote in the Committee of the Whole.

(b) Reduction of Vote Time:

New discretionary power was given the Chairman of the Committee to reduce from 15 minutes to 5 the time required for a roll call vote after a regular recorded quorum call.

The reasoning behind the increase in the number of Members required to call for a recorded vote is to discourage Members from forcing a vote and therefore consuming more time. This rule may very well backfire, however, since it may increase the frequency of points of order that no quorum is present in order to attract enough Members to the Floor to force a recorded vote.

The purpose of the reduced voting time on some recorded votes, again is purportedly to conserve time. However, the new proposed system is easily subject to manipulation by the Chairman of the Committee of the Whole, who will have more power to determine the Minority's ability to demand a recorded vote. The priorities seem backward as more time is given to a quorum call than to a record vote and this new system may give Members arriving on the Floor less time to acquaint themselves with the issue prior to voting.

Mr. WRIGHT. Mr. Speaker, I have the feeling that I have just tuned in on late-night television to a movie that I saw a couple years ago; maybe one that I have seen on several occasions. It is a good movie and I enjoyed staying with it while it played out its several reels. Of course, the gentlemen on the minority side will find objections to certain rules changes proposed.

I would like to say simply, they are very minor and very modest. They extend to the Speaker only very limited additions to his authority. I believe they are extension of authority that he has exercized in the past Congress to the express approval of every Member of the House. On those occasions when the Speaker in the previous Congress asserted the privileges given to him to cluster votes, I believe that most Members, both Democratic and Republican, will agree that it was done in such a way as to save the time and convenience of all Members, Democrats and Republicans.

So far as the extension of power to

the Speaker to close all dilatory tactics, I must conclude that most of the Members, both Democratic and Republican, would approve any such system that would save them from the repeated harassment and inconvenience to which the entire membership have been subjected by one or two dissident or disgruntled Members who want all the others to have to come over here and be recorded on a matter frequently—frequently in which there are two or three objections at the most.

□ 1500

During past Congresses, accordingly to an exhaustive study conducted by our colleague, the gentleman from California (Mr. DANIELSON), almost one-third of the entire time of this House was consumed in rollcall votes and quorum calls. Now, surely that is an excessive use of the time of the Members to be consumed in quorum calls and rollcall votes.

Once a quorum has been established for the day, the presumption should lie that a quorum of the Members is present. Surely most Members do not want to have to come back over here 8 and 9 and 10 times in a day in order to reassert their presence or to vote on some matter that really is not controversial at all. To the extent that we are saving the time of the Members of the House, we are saving money for the American taxpayers, and surely this kind of a change ought to be approved not just by Democrats but by Republicans as well.

Then there has been raised a new question with respect to the assertion that these rules would permit Members to record their speeches on the House floor at public expense.

I think that may be a misstatement of what these rules do. These rules are not calculated to guarantee to any Member any right he or she does not presently have under the rules of the House. Members have always had the right to reproduce copies of their speeches in the CONGRESSIONAL RECORD, to which the public at large has access, and to send them to members of their constituencies. I do not think that privilege has been regularly abused. Certainly it ought to be a privilege extended to Members of Congress.

Certainly members of the public ought to have a right to know what it is that has been said on the floor of the House. I do not know any reason why that same right should not extend if it is the wisdom of the House that we should have these proceedings televised subject to restrictions as to political or commercial use and to further restrictions which may be announced by the Speaker. Why is there anything wrong with letting the American public see and hear exactly what it is we say here on the House floor?

I do not see that there is any great harm or danger inherent in the rule proposed here. I think, on the contrary, what is objected to is the fact that these rules do not encompass a proposed change which the gentleman from Illinois and certain other Members might want to offer.

Let me suggest at this point that any proposed change in the rules that the gentleman from Illinois or any other Member might wish to offer may be offered under the standard procedure to the Committee on Rules. We have it on no less authority than the gentleman from Missouri (Mr. BOLLING), that he personally will do what he can to see that a substantial and sufficient portion of time is set aside for any Member to come before his committee and assert a suggestion, to defend his or her suggestion, and to advocate any change in the rules that he or she may wish to advocate.

So there is nothing different this time than has been provided for in years past.

The only other thing on which I would like to comment, simply that the record may be abundantly clear, is the suggestion that somehow we are inhibiting the rights of Members when we insist that a budget resolution, if subjected to an amendment that would reduce the total expenditure, must permit the Members to know where those reductions would be made. I think this is fully in harmony with the principles and the philosophy of the Budget Act. The entire thrust of the budget reform was to give to Members of the House and of the Senate a new tool by which we could assert some semblance of self-control by which we could look at the broad overall picture of the budget in one package and make some serious determinations as to where our spending priorities should be.

□ 1505

Therefore, it always has been held, in reason and in consistency, that the total expenditures involved in the budget ought to be exactly the total of the individual itemized expenditures.

It just does not make sense to adopt a resolution that says, "Leave the individual categories alone and reduce the total."

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

Mr. WRIGHT. Of course I yield to my friend, the minority leader.

Mr. RHODES. I thank my good friend, the majority leader, for yielding.

Mr. Speaker, I was on the committee which studied the congressional budget system, and I mainly agree with the gentleman's analysis of the budget system.

However, at the time I was very much imbued with the idea—and I think others were—that there really were two operations that needed to be taken into consideration. One of them was the total expenditure in any fiscal year. In order to arrive at that proper figure, you have various elements involved, such as the state of the economy, the state of unemployment, and the like, and this was best accomplished by the House in the first or second concurrent budget resolution.

I thought at the time—and I still do—that it is very important for the House to have that function. But as far as the line items are concerned, it seemed to me—and it still does—that the Budget Committee is much better prepared than the average Member of the House or the composite of the House to take the material which the House furnishes the committee and to divide it up into the component pieces, which is why I have always been in favor of the mechanism which would set the macroeconomics of the matter and leave the minutiae to the Budget Committee. It is very similar, in effect, to recommitting the first or second concurrent budget resolution to the Committee on the Budget with instructions to lower the total amount, but to tell them to use their judgment as to where it should be cut.

That is, I think, the fundamental difference between the gentleman from Texas and myself. But I do believe that it is important that the dichotomy be analyzed.

Mr. WRIGHT. Mr. Speaker, I would not disagree with the gentleman in his analysis as to where the fundamental difference may lie. And I would not characterize the position the gentleman has described as his position as being other than a responsible position. But I would like to suggest that Members need to understand that there is nothing in these rules which prevents any Member from offering an amendment to reduce the size of the budget, once the resolution comes before the House. The only inhibition is that if he is going to reduce the total, then he must show where the reduction would be let. I think that is a reasonable requirement and would reasonably well serve the Members of the House. That is the only change that would be made.

If the gentleman from Illinois (Mr. ANDERSON) desires that I yield to him, I would be happy to yield to the gentleman.

Mr. ANDERSON of Illinois. I thank the distinguished majority leader for yielding.

Mr. Speaker, I am sorry that I was called off the floor a few minutes ago and I was not here. I understand the distinguished majority leader found an analogy between furnishing reprints of the CONGRESSIONAL RECORD to the custom that will now develop of providing copies of tapes, of television tapes, of remarks delivered here on the floor by Members, and he felt that, since there has been no abuse in the case of the former, the concern that I and others have about this is misplaced, because I think the gentleman knows that, along with former Congressman Sisk of California, I had offered a proposed rule, broadcast rule, in the last Congress that would have denied that privilege to Members because I too have the genuine fear that if Members know that every speech they deliver in the well of this House and in this Chamber can be available to them in the form of a television tape which they can freely circulate among the stations and among the media in their area, it will have a tendency to seriously distort the proceedings of this body.

I wonder if I was informed correctly as to what the gentleman from Texas said on that matter.

Mr. WRIGHT. Mr. Speaker, I believe that I said that the rules changes presented in this resolution contemplate no basic change from the present situation with respect to the matter over which the gentleman has found objection. I think I suggested that what the gentleman from Illinois objects to is not that the rules proposed by the Democratic Caucus and the Democratic majority provide a change, but that they fail to provide a

change on coverage which the gentleman from Illinois would like to see provided.

Mr. ANDERSON of Illinois. Mr. Speaker, if the gentleman will yield further, that is a correct analysis of my position.

☐ 1510

But in view of what I see as a threat to the proceedings of this House, it seems to me that it would be wise to consider this resolution under a procedure whereby I could have offered that amendment, and we could have had a full and free debate on the entire issue, and perhaps thereby save the House what could be the experience of discovering later on, farther on down the road, that the fears I have expressed are genuine indeed.

Mr. WRIGHT. I would be happy to advise the gentleman from Illinois that the Speaker and a panel of advisors whom he is appointing are working, and will be working, on rules of implementation for the use of the audio and television facilities of the House. I am sure they would be happy to have such suggestions the gentleman from Illinois or any other Members may wish to offer to them.

With respect to the gentleman's apprehensions, I want simply to express my own conviction. The American public is sufficiently discerning that it will be able to distinguish the difference between somebody who has something to say and someone who does not have something to say. I just have that much basic faith in the American people. I do not think they are going to respond affirmatively to somebody who rises and takes the time of the House without having something worthy of being heard.

Believing that as a fundamental premise, I do not see the danger that the gentleman foresees, but I will grant to him an assumption that he may have something worthy of being considered, and I will suggest to him that there will be a proper time and place at which he may offer his suggestions, but this is not the time and place. These rules do not provide any change from the restrictions imposed in the prior Congress, and the Chair will at the appropriate time announce his regulations on distribution of audio and visual tapes of proceedings of the House, and for that reason I think it inappropriate for us to spend much more of our time talking about that particular phase.

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

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

Mr. BAUMAN. I thank the distinguished majority leader for yielding to me. I understand the House will probably have almost no business to conduct for the next 2 weeks other than receiving a message from the President. Aside from any of the issues that have been addressed by particular rules changes just proposed by the majority leader, what is the rationale of the Democratic Party and the gentleman from Texas in denying to the full House of Representatives the right to debate, amend and work our will on the rules of the House, as has been done at the beginning of almost every Congress for 200 years? What is the rationale for that? Is it just easier to ram the rules through? Is that it?

Mr. WRIGHT. If the gentleman will yield, I do not discern in the procedures that are being followed today any marked differences from what has been done——

Mr. BAUMAN. In the last few years perhaps.

Mr. WRIGHT (continuing). For decades and decades before us. The rules traditionally offered at the beginning of a Congress have been the prerogative and responsibility of the majority party. If the leadership is going to be permitted to lead, then the leadership has got to request such powers as are necessary to permit it to lead. I believe the gentleman from Maryland would feel that way if the leadership responsibilities rested on his shoulders or on the shoulders of his colleagues on the Republican side.

I think the best description I ever heard of the rules of this House is one that was given once by the late Lew Deschler when he was Parliamentarian of the House. He said that the Rules of the U.S. House of Representatives are the most finely-tuned set of rules extant in any parliamentary body on Earth. I believe he said that they have two primary objectives; the one is to protect the minority from the intolerance of the majority. The other is to protect the majority from the enthronement or obstructionism of the minority.

So, to the extent we can jointly be mindful of these two rationales for the Rules of the House; to the extent that we could respect one another's rights; to the extent that we, I think, can give assurance that the powers granted to the Speaker are not going to be abused; and to the extent that the members of the minority would agree that those powers granted to the Speaker in the preceding Congress were not abused, then I think we have fulfilled the function given to us as Members of this greatest, sometimes criticized and yet most honored legislative body on Earth.

☐ 1515

Mr. BAUMAN. Would the gentleman yield further?

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

Mr. BAUMAN. Mr. Speaker, I just wanted to thank the gentleman most sincerely for his eloquent and traditionally nonresponsive answer to my question. I look forward to working with him in exploring the fine points of these delicately tuned rules forced upon us today.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman for his compliment. I, too, look forward to working with the gentleman from Maryland.

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

SWEARING IN OF MEMBERS

The SPEAKER. Pending putting the previous question, the Chair will give the oath of office to the Members who were not present earlier.

Members who were absent will kindly step forward.

Messrs. OTTINGER, AKAKA, and HEFTEL appeared at the bar of the House and took the oath of office.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed resolutions of the following titles:

S. RES. 1

Resolved, That a committee consisting of two Senaters be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

S. RES. 2

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

S. RES. 6

Resolved, That the House of Representatives be notified of the election of the Honorable WARREN G. MAGNUSON, a Senator from the State of Washington, as President of the Senate pro tempore.

RULES OF THE HOUSE

The SPEAKER. The question is on ordering the previous question.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 241, nays 156, not voting 26, as follows:

[Roll No. 3]

YEAS—241

Addabbo	D'Amours	Gray
Akaka	Daniel, Dan	Gudger
Albosta	Danielson	Hall, Ohio
Alexander	Davis, S.C.	Hall, Tex.
Anderson, Calif.	de la Garza	Hamilton
	Dellums	Hance
Andrews, N.C.	Derrick	Hanley
Annunzio	Dicks	Harkin
Anthony	Dingell	Harris
Aspin	Dixon	Hefner
Atkinson	Dodd	Heftel
AuCoin	Donnelly	Hightower
Bailey	Downey	Holland
Baldus	Drinan	Holtzman
Barnard	Duncan, Oreg.	Howard
Barnes	Early	Hubbard
Beard, R.I.	Eckhardt	Huckaby
Beilenson	Edwards, Calif.	Hughes
Benjamin	English	Hutto
Bennett	Ertel	Ichord
Biaggi	Evans, Ga.	Ireland
Bingham	Evans, Ind.	Jenkins
Blanchard	Fary	Jenrette
Boggs	Fascell	Johnson, Calif.
Boland	Fazio	Jones, N.C.
Bolling	Ferraro	Jones, Okla.
Boner	Fisher	Jones, Tenn.
Bonior	Fithian	Kazen
Bouquard	Flippo	Kildee
Bowen	Florio	Kostmayer
Brademas	Foley	LaFalce
Breaux	Ford, Miss.	Leach, La.
Brinkley	Ford, Tenn.	Leath, Tex.
Brodhead	Fountain	Levitas
Brooks	Fowler	Lloyd
Brown, Calif.	Frost	Long, La.
Burlison	Fuqua	Long, Md.
Burton, Phillip	Garcia	Lowry
Carr	Gaydos	Luken
Cavanaugh	Gephardt	Lundine
Chappell	Giaimo	McCormack
Clay	Gibbons	McHugh
Coelho	Ginn	McKay
Collins, Ill.	Glickman	Maguire
Conyers	Gonzalez	Markey
Corman	Gore	Mathis
Cotter	Gramm	Mattox

Mazzoli	Price	Studds
Mica	Rahall	Stump
Mikulski	Rangel	Swift
Mikva	Ratchford	Synar
Miller, Calif.	Reuss	Thompson
Mineta	Richmond	Traxler
Minish	Roberts	Udall
Moakley	Roe	Ullman
Moffett	Rose	Van Deerlin
Mollohan	Rosenthal	Vanik
Montgomery	Rostenkowski	Vento
Motti	Roybal	Volkmer
Murphy, N.Y.	Russo	Walgren
Murphy, Pa.	Sabo	Watkins
Murtha	Santini	Waxman
Natcher	Satterfield	Weaver
Neal	Scheuer	Weiss
Nedzi	Schroeder	White
Nelson	Seiberling	Whitley
Nolan	Shannon	Whitten
Nowak	Sharp	Williams, Mont.
Oakar	Shelby	Wilson, C. H.
Oberstar	Simon	Wilson, Tex.
Obey	Skelton	Wirth
Ottinger	Slack	Wolff, N.Y.
Panetta	Smith, Iowa	Wolpe, Mich.
Patten	St Germain	Wright
Patterson	Staggers	Wyatt
Pease	Stark	Yates
Pepper	Steed	Yatron
Perkins	Stenholm	Young, Mo.
Peyser	Stewart	Zablocki
Pickle	Stokes	Zeferetti
Preyer	Stratton	

NAYS—156

Abdnor	Forsythe	Miller, Ohio
Ambro	Frenzel	Mitchell, N.Y.
Anderson, Ill.	Gilman	Moore
Andrews, N. Dak.	Gingrich	Moorhead, Calif.
Archer	Goldwater	Myers, Ind.
Ashbrook	Goodling	O'Brien
Badham	Gradison	Pashayan
Bafalis	Grassley	Pursell
Bauman	Green	Quayle
Beard, Tenn.	Grisham	Quillen
Bereuter	Guyer	Railsback
Bethune	Hagedorn	Regula
Broomfield	Hammer-schmidt	Rhodes
Brown, Ohio	Hansen	Rinaldo
Broyhill	Harsha	Ritter
Burgener	Heckler	Robinson
Butler	Hillis	Roth
Campbell	Hinson	Rousselot
Carney	Hollenbeck	Rudd
Carter	Holt	Runnels
Cheney	Hopkins	Sawyer
Clausen	Horton	Schulze
Cleveland	Hyde	Sebelius
Clinger	Jacobs	Sensenbrenner
Coleman	Jeffords	Shumway
Collins, Tex.	Jeffries	Shuster
Conable	Johnson, Colo.	Smith, Nebr.
Conte	Kelly	Snowe
Corcoran	Kemp	Snyder
Coughlin	Kindness	Solomon
Crane, Daniel	Kramer	Spence
Crane, Philip	Lagomarsino	Stangeland
Daniel, R. W.	Latta	Stanton
Dannemeyer	Leach, Iowa	Stockman
Davis, Mich.	Lee	Symms
Deckard	Lent	Tauke
Derwinski	Lewis	Taylor
Devine	Livingston	Thomas
Dickinson	Loeffler	Treen
Dornan	Lott	Trible
Dougherty	Lujan	Vander Jagt
Duncan, Tenn.	Lungren	Walker
Edgar	McClory	Wampler
Edwards, Ala.	McCloskey	Whitehurst
Edwards, Okla.	McDade	Whittaker
Emery	McDonald	Williams, Ohio
Erdahl	McEwen	Wilson, Bob
Erlenborn	Madigan	Winn
Evans, Del.	Marlenee	Wydler
Fenwick	Marriott	Wylie
Findley	Martin	Young, Alaska
Fish	Michel	Young, Fla.

NOT VOTING—26

Applegate	Diggs	Mavroules
Ashley	Flood	Moorhead, Pa.
Bedell	Guarini	Murphy, Ill.
Bonker	Hawkins	Myers, Pa.
Burton, John	Kogovsek	Paul
Byron	Lederer	Rodino
Chisholm	Lehman	Spellman
Courter	Leland	Stack
Daschle	Matsui	

□ 1535

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

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF MEMBERS

The SPEAKER. Are there any further Members to take the oath of office?

Mr. MITCHELL of Maryland, Mr. GRAY, and Mr. CHARLES H. WILSON of California presented themselves at the bar of the House and took the oath of office.

RESIGNATION AS CLERK TO THE MINORITY OF THE HOUSE OF REPRESENTATIVES

The SPEAKER. The Chair at this time will insert in the RECORD the resignation of Joe Bartlett, who was an employee of the minority in the 95th Congress:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 15, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives,

DEAR MR. SPEAKER: Please permit me to tender my resignation as Clerk to the Minority of the House of Representatives.

I am profoundly conscious of the privilege I have enjoyed in serving the Congress, and I will cherish forever my association and friendship with the many, many magnificent men and women of this great institution.

My very best wishes and prayers abide with you and the 96th Congress as you continue your sacred stewardship.

Sincerely,

JOE BARTLETT.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks concerning the adoption of the resolution rules.

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

There was no objection.

COMPENSATION OF CERTAIN MINORITY EMPLOYEES

Mr. RHODES. Mr. Speaker, I offer a resolution (H. Res. 6) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 6

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, five of the six minority employees authorized therein shall be the following named persons, effective January 3, 1979, until otherwise ordered by the House, to-wit: Walter P. Kennedy, Tommy Lee Winebrenner, Ronald W. Lasch, Gerald Lipson, and Charles Leppert, Jr., each to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-fifth Congress, as enacted into permanent law by section 115 of Public Law 95–94.

□ 1540

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMPENSATION OF CHAPLAIN OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 7) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 7

Resolved, The compensation of the Chaplain of the House of Representatives shall be equivalent to the highest rate of basic pay as in effect from time to time of level IV of the Executive Schedule in section 5315 of title V, United States Code.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING ADMINISTRATION OF OATH OF OFFICE TO THE HONORABLE STEWART B. McKINNEY

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 8) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 8

Resolved, Whereas Stewart B. McKinney, a Representative-elect from the State of Connecticut, from the Fourth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election; Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby authorized to administer the oath of office to the Honorable Stewart B. McKinney at Fairfield, Connecticut, and that the said oath be accepted and received by the House as the oath of office of the said Stewart B. McKinney.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the authority of House Resolution 8, 96th Congress, the Chair appoints the gentleman from Connecticut (Mr. GIAIMO) to administer the oath of office to the Honorable STEWART B. MCKINNEY.

HOUR OF MEETINGS OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 9) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 9

Resolved, That until otherwise ordered, the hour of meeting of the House shall be, 12 o'clock meridian on Mondays and Tuesdays; 3 o'clock postmeridian on Wednesdays; 11

o'clock antemeridian on all other days of the week up to and including May 14, 1979; and that from May 15, 1979, until the end of the first session, the hour of daily meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays and 10 o'clock antemeridian on all other days of the week.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 30, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:30 a.m. on Thursday, November 30, 1978, and said to contain a message from the President wherein he transmits the second special message for fiscal year 1979 under the Impoundment Control Act of 1974.

With kinds regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORTS ON RESCISSION AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–2)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $75,000 in unneeded funds appropriated to the Foreign Claims Settlement Commission.

In addition, I am reporting four new deferrals of budget authority totalling $889 million and two revisions to previously transmitted deferrals increasing the amount deferred by $21.4 million in budget authority. These items involve the military assistance program and programs in the Departments of Commerce, Defense, Justice, and State.

The details of the rescission proposal and the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *November 30, 1978.*

□ 1545

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
December 7, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m. on Thursday, December 7, 1978, and said to contain a message from the President wherein he transmits the third special message for fiscal year 1979 under the Impoundment Control Act of 1979.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

TEN NEW DEFERRALS OF BUDGET AUTHORITY AND FOUR REVISIONS TO PREVIOUSLY TRANSMITTED DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96–3)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten new deferrals of budget authority totalling $110.6 million and four revisions to previously transmitted deferrals increasing the amount deferred by $3.3 million. The items involve the military education and training program and programs in the Departments of Agriculture, the Interior, State, and the Treasury, and several independent agencies.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *December 7, 1978.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
December 12, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:51 p.m. on Tuesday, December 12, 1978, and said to contain a message from the President wherein he transmits the fourth special message for fiscal year 1979 under the Budget Impoundment and Control Act of 1974.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

TWO NEW DEFERRALS AND REVISION TO PREVIOUSLY TRANSMITTED DEFERRAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96–4)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals totaling $663.8 million and a revision to one previously transmitted deferral increasing the amount deferred by $.2 million in budget authority. These items involve the foreign military credit sales program and programs in the Departments of Commerce and the Interior.

The details of the deferrals are contained in the attached report.

JIMMY CARTER.

THE WHITE HOUSE, *December 12, 1978.*

EXTENDING TIME FOR FILING ECONOMIC REPORT

Mr. BRADEMAS. Mr. Speaker, I send to the desk a joint resolution (H.J. Res. 1) to extend the time for filing the Economic Report, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That Public Law 95–594 is amended by striking out "January 22, 1979" the second time it appears in section 2, and inserting in lieu thereof "January 29. 1979".

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

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make a statement concerning the introduction and reference of bills today.

As Members are aware, they have the privilege today of introducing bills. Heretofore on the opening day of a new Congress, several thousand bills have been introduced. It will be readily apparent to all Members that it may be a physical impossibility for the Speaker to examine each bill for reference today. The Chair will do his best to refer as many bills as possible, but he will ask the indulgence of Members if he is unable to refer all the bills that may be introduced. Those bills which are not referred and do not appear in the RECORD as of today will be included in the next day's RECORD and printed with a date as of today.

The Chair has advised all officers and employees of the House that are involved in the processing of bills that every bill, resolution, memorial, petition, or other material that is placed in the hopper must bear the signature of a Member. Where a bill or resolution is jointly sponsored, the signature must be that of the Member first named thereon. The bill clerk is instructed to return to the Member any bill which appears in the hopper without an original signature. This procedure was inaugurated in the 92d Congress. It has worked well, and the Chair thinks that it is essential to continue this practice to insure the integrity of the process by which legislation is introduced in the House.

The Chair's directive pursuant to clause 4, of rule 22, with respect to the new rule on the cosponsorship of bills has been distributed by the Clerk and will be inserted at this point in the RECORD.

A change in the House Rules of the 95th Congress provides for unlimited additional sponsors on Public bills and resolutions. Additional sponsors may be submitted until the legislation is reported to the House by the last Committee authorized to consider and report such bill or resolution. The rules do not provide for the addition of sponsors to Private bills and resolutions at any time.

If there is not sufficient space for listing sponsors when introducing legislation the first time, please affix the list of names to the front of the bill. Additional sponsors may be added by submitting a form which will be available to Members from the Clerk's Document Room. When preparing additional sponsor lists, do not repeat names that have previously been listed on the bill or resolution. The additional sponsor form should be submitted to the House in the same manner as when a bill is introduced. If you have any questions regarding this new procedure, please contact the House Bill Clerk's Office on Ext. 54470.

☐ 1550

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 3, rule 1, the Chair desires to announce that he has instructed the Doorkeeper and the Sergeant at Arms of the House to assure that Members will have unimpeded access to the Chamber especially during rollcall votes and quorum calls. Due to the relative brevity of the period during which Members may be recorded and because Members for obvious reasons are entitled to unhindered access to any door of the Chamber from the elevators and corridors, the Chair has directed that these instructions be strictly enforced.

APPOINTMENT AS MEMBERS OF HOUSE OFFICE BUILDING COMMISSION

The SPEAKER. Pursuant to the provisions of 40 U.S.C. 175 and 176, the Chair appoints the gentleman from Texas, Mr. WRIGHT, and the gentleman from Arizona, Mr. RHODES, as members of the House Office Building Commission to serve with himself.

COMMUNICATION FROM THE COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the Committee on Agriculture; which was read, referred to the Committee on Appropriations and ordered to be printed:

COMMITTEE ON AGRICULTURE,
Washington, D.C., October 17, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on October 13, 1978, considered and unanimously approved the following work plans for watershed projects, which were referred to the Committee by Executive Communication 4988: Deposit Creek, New York; Wet Walnut Creek, No. 1, Kansas.

Attached are Committee resolutions with respect to these projects.

With best regards,
Sincerely,

THOMAS S. FOLEY,
Chairman.

PROCEDURES IN RELATION TO THE PRODUCTION OF WITNESSES AND DOCUMENTS IN COURTS OF JUSTICE

Mr. BRADEMAS. Mr. Speaker, I offer a resolution (H. Res. 10) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 10

Whereas, by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice be taken from such control or possession except by its permission: Therefore be it

Resolved, That when it appears by the order of any court in the United States or a judge thereof, or of any legal officer charged with the administration of the orders of such court or judge that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; and be it further

Resolved, That during the Ninety-sixth Congress, when a subpena or other order for the production or disclosure of information is by the due process of any court in the United States served upon any Member, officer, or employee of the House of Representatives directing appearance as a witness before the said court at any time and the production of certain and sundry papers in the possession and under the control of the House of Representatives, that any such Member, officer, or employee of the House, after notifying the Speaker, is authorized to appear before said court at the place and time named in any such subpena or order, but no papers or documents in the possession or under the control of the House of Representatives shall be produced in response thereto; and be it further

Resolved, That after the Speaker has been notified by the Member, officer, or employee that a proper court has determined upon the materiality and relevancy of specific papers or documents called for in the subpena or other order, then said court, through any of its officers or agents shall have full permission to attend with all proper parties to the proceedings before said court and at a place under the orders and control of the House of Representatives and take copies of the said documents or papers and the Clerk of the House is authorized to supply certified copies of such documents that the court has found to be material and relevant, except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto be disclosed or copied, nor shall the possession of said documents and papers by any Member, officer, or employee of the House be disturbed or removed from their place of file or custody under said Member, officer, or employee; and be it further

Resolved, That the House of Representatives reserves to itself the power to revoke or modify the authority contained herein in all or specific instances; and be it further

Resolved, That a copy of these resolutions be transmitted by the Clerk of the House to any of said courts whenever such writs of subpena or other orders are issued and served as aforesaid.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

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

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

Mr. BRADEMAS. Yes, if the gentleman from California will yield.

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

Mr. BRADEMAS. I thank the gentleman. This is the standard resolution making it possible for the House to respond to subpenas.

Mr. ROUSSELOT. And that is all it does? On whose authority is it?

Mr. BRADEMAS. On the authority of the House.

Mr. ROUSSELOT. The Speaker?

Mr. BRADEMAS. No. If the gentleman will yield——

Mr. ROUSSELOT. I will be glad to yield. Further reserving the right to object, I yield.

Mr. BRADEMAS. The gentleman from Indiana does not profess to be an authority on the subpena authority, but as the gentleman from California will realize, when subpenas are served on Members of the House, it is customary for the House to pass a resolution in response to those subpenas. The resolution which the gentleman from Indiana has offered provides for that authority on the part of the House. It is a standard resolution that is adopted.

Mr. ROUSSELOT. No difference from previous years?

Mr. BRADEMAS. That is correct.

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

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1555

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. WRIGHT. Mr. Speaker, your committee to notify the President is ready to report.

The SPEAKER. The Chair will hear the committee.

Mr. WRIGHT. Mr. Speaker, your committee appointed on the part of the House to join a like committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled and is ready to receive any communication that he may be pleased to make has performed that duty.

The President asked us to report that he will be pleased to deliver his message at 9 p.m. Tuesday, January 23, 1979, to a joint session of the two Houses.

The SPEAKER. The Chair thanks the committee for the efficient manner in

which it has handled its job and the expeditious manner in which the Members have acted.

JOINT SESSION OF CONGRESS—STATE OF THE UNION MESSAGE

Mr. BRADEMAS. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 1) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 1

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 23, 1979, at 9 o'clock postmeridian for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that on January 23, 1979, when the Houses meet in joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

AUTHORIZING THE SPEAKER TO DECLARE RECESS ON TUESDAY, JANUARY 23, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that on Tuesday, January 23, 1979, it may be in order for the Speaker to declare a recess at any time subject to call of the Chair.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would take this opportunity to advise Members that he has, pursuant to clause 9 of rule I, asked an informal panel to advise him on the full and final implementation of broadcasting, telecasting, and closed circuit viewing of the proceedings of the House. At the appropriate time the Chair will announce his regulations pertaining to the utilization of the new system and distribution of audio and video reproduction from that system. In the meantime aside from closed circuit viewing to Members' offices today for the convenience of Members and their friends, there will be no audio or video coverage of the proceedings of the House, other than the audio pickup available to accredited members of the radio-TV gallery until full implementation is completed. This is to enable the Chair's advisory panel to devote its full resources to the earliest practicable implementation of the new system.

TRIBUTE TO THE LATE HONORABLE LEO J. RYAN

Mr. BOB WILSON. Mr. Speaker, I offer a resolution.

The Clerk read the resolution, as follows:

H. RES. 11

Resolved, That the House has heard with profound sorrow of the death of the Honorable LEO J. RYAN, a Representative from the State of California.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

□ 1600

TRIBUTE TO THE LATE HONORABLE WILLIAM. A. STEIGER

Mr. ZABLOCKI. Mr. Speaker, I offer a privileged resolution.

The Clerk read the resolution, as follows:

H. RES. 12

Resolved, That the House has heard with profound sorrow of the death of the Honorable WILLIAM A. STEIGER, a Representative from the State of Wisconsin.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

SPECIAL ORDER FOR THE LATE HONORABLE WILLIAM A. STEIGER

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

Mr. ZABLOCKI. Mr. Speaker, I take this time so that I may advise the House that, on behalf of our colleagues, the gentleman from Oklahoma (Mr. JONES), the gentleman from New York (Mr. CONABLE), and myself, that arrangements have been made for eulogies under a Special Order for our late colleague, the Honorable WILLIAM A. STEIGER, for Thursday, January 25, 1979.

ADJOURNMENT TO THURSDAY, JANUARY 18, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Thursday next, January 18, 1979, at 11 o'clock a.m.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will now recognize Members for 1 minute requests.

COMPENSATION FOR VICTIMS OF CRIME

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. GONZALEZ. Mr. Speaker, for 15 years now I have authored and sponsored legislation that would provide some compensation for our citizens who are innocent victims of crimes and last year I was very encouraged when both the House and Senate passed such legislation. However, the conference report filed in the final days of the 95th Congress was killed by the House, so I am again proposing a bill that will bring needed assistance to those who are victims of crime.

While crime continues to increase across the country, it is heartening to note that it is doing so at a decreasing rate. However, for a victim of a crime, statistics are not reassuring. For him society has failed in its duty to protect him and a State which has this responsibility must make some effort to live up to it.

According to history the concept of society having an obligation to in some way help the citizen who falls victim to a criminal act is not a new one.

The Code of Hammurabi of ancient Babylonia evoked communal responsibility for certain crimes where it was not possible to place individual blame. If a robber has not been caught, the code specified, the robbed man shall declare his last property in the presence of the god, and the city and Governor in whose territory and district the robbery was committed shall repay him for his lost property. In addition, the code ordered that "if it was a life that was lost the city and Governor shall pay one mina of silver to the heirs."

In the 16th century, Jeremy Bentham noted the plight of the victim of crime and suggested this rationale for compensation:

> Has a crime been committed? Those who have suffered it, either in their person or their fortune, are abandoned to their evil condition. The society which they have contributed to maintain, and which ought to protect them, owes them, however, an indemnity, when its protection has not been effectual.

There are currently 16 States that operate some form of victim compensation program, but the bill I am reintroducing would encourage additional States to join in such a program. This bill gives the Attorney General the administrative responsibility for making grants to States with qualified programs and these grants would cover 100 percent of the costs of awards for victims of Federal crimes and 25 percent of the cost for State crimes. Individual States would determine which crimes qualify for their programs.

Mr. Speaker, in the past 10 years Congress has considered and provided for programs to improve the criminal justice machinery, from addressing the needs of the local police to improving the correction facilities nationwide, but we have ignored the plight of the innocent victim. We are not really dealing with the crime problem until we have taken steps

to minimize the impact of the crime on the victim.

A victims of crime program might also indirectly help bring reform to our correctional institutions. To quote the English penal reformer, Ms. Margaret Fry, a rational system of correction can only be achieved when victims, satisfied financially, no longer press for revenge, but rather favor rehabilitation.

There is obviously a great deal of support for a victims of crime program since both Houses passed such a measure in the last Congress and I hope that we can make it over the last hurdle and have a bill enacted into law before the end of the year.●

INTRODUCTION OF A JOINT RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT TO PROVIDE THAT GOVERNMENT APPROPRIATIONS NOT EXCEED GOVERNMENT REVENUES

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, today I am introducing a resolution calling for a constitutional amendment to balance the Federal budget.

You may recall, Mr. Speaker, that I first introduced this resolution when I was a freshman back in 1965. Each and every Congress since then I have kept the tradition.

I was a lonely voice in the wilderness back then. Not many felt as I did that only an amendment to the Constitution mandating pay-as-you-go government (such as we have in the State of Texas) would clamp down a lid on Federal spending. This was the genesis of my proposal to provide that Federal appropriations shall not exceed revenues except in time of war or national emergency.

In the years that passed since that cold winter's day in 1965, other voices were raised, and in each succeeding Congress they grew louder in their plea for national fiscal sanity. Now dozens of similar congressional resolutions stand beside mine, and the roll grows longer.

Mr. Speaker, I urge that this Congress now consider a proposal whose time has come. In the present climate, three-fourths of the States should have no trouble at all making this resolution the next constitutional amendment. I call upon the leadership of the Committee on the Judiciary to hold hearings on this measure, and quickly bring it before the consideration of the House.

STATEMENT OF THE HONORABLE CHARLES E. BENNETT UPON INTRODUCTION OF THE MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, I am today introducing a bill which responds to a very conspicuous national defense need and would be called the Military Registration and Mobilization Assessment Act of 1979.

MOBILIZATION DISARRAY

Our mobilization capability is in a state of disarray, according to the testimony we heard in the last Congress. The Reserves are short by over a half million personnel, the Selective Service System could not possibly meet its delivery schedule, and we do not have one clear focal point of mobilization planning.

Only recently have these deficiencies in mobilization planning become so conspicuous. The source of the problem is quite recent. The Gates Commission recommended a strong mobilization capability in their 1969 report but actually since 1973, when the draft ended, the Selected Reserve strength has dropped about 15 percent and the Individual Ready Reserve has dropped by 70 percent. It might have been prudent to take the actions of this bill even sooner, but the truth is that few like to think hard about a possible national emergency which would demand mobilization.

It has now become our clear and immediate duty to provide the manpower requirements which have been assessed by the Under Secretary of Defense for Policy. The emergency needs dictate that our 2.1 million Active Duty Volunteer Force be backed up by a wartime mobilization capability of 959,000 Selected Reservists, at least 750,000 Individual Ready Reservists, and a Selective Service callup of 100,000 within 60 days and another 550,000 in the following 120 days.

THE BILL'S PROVISIONS

This bill is tailored specifically to two immediate and conspicuous needs. It provides for peacetime military registrations and it provides for comprehensive assessments of mobilization capability which are aimed especially at solving the Reserves problem.

PEACETIME REGISTRATION

We need a tested military registration system. The Chairman of the Joint Chiefs of Staff, the congressional committees, the studies of CBO and GAO, and the Acting Director of Selective Service all attest to this current need. The ABC Harris poll of last November showed that the American people favor military registration by a 66- to 31-percent majority.

My bill calls for registration to commence not later than October 1979 in accordance with a modern and efficient registration system which would be selected by June from the various existing proposals. The registration procedures for youth would be centralized and largely automatic, with help from the schools or from other records which already exist. As far as medical needs are concerned, the bill directs that a mechanism be established in the form of a National Advisory Committee, to evaluate how we can best secure medical professionals.

When we implement a modern registration system—which can be accomplished this year—we will certainly be months ahead on meeting the Selective Service delivery schedules that would be required in an emergency. It will also help us to ascertain and eliminate problems which we cannot now specifically foresee. Since our potential enemies can see our Reserve Force problems, the step toward registration is to some extent adding credibility to our determination to defend ourselves.

MOBILIZATION ASSESSMENT

Our second clear need is for a comprehensive and focused assessment of mobilization capability. The bill would require an annual assessment of the Nation's capability to mobilize the Active Forces, Reserve Forces, retired personnel and selective service callups. All of this needs to be composed and periodically reviewed in a comprehensive assessment, including strengths as well as weaknesses, for the entire mobilization resources. I endorse the conclusion in the recent Pentagon report about "America's Volunteers" where it says that our focus needs to be turned to mobilization planning.

NEED FOR A DRAFT?

I can see no reason to compel any citizen to work for the Government unless that is absolutely essential to the Nation's existence or security. Although there has been much public criticism of the Volunteer Force concept, I know that we do not need—and we cannot afford—to force every young person into long military training in peacetime. The Volunteer concept is designed to provide the Active Duty Forces which are needed and to adequately pay them, so that we will not have a tiny portion of our young men making a disproportionate sacrifice. But it is high time to turn the focus from the Active Volunteer Forces to our Reserve problem.

Our system has not provided sufficient input to the Reserves. The bill would require evaluation of an involuntary Reserve program of perhaps 3 months active duty training followed by 3 years of Reserve duty. My hope is that added incentives may encourage volunteers, and I believe that we need involuntary programs only when large segments of a group are required. Whether the deficiencies in the Reserves now can be met by purely voluntary enlistments is what I think the administration should promptly assess. One thing that is clear is that the Reserves do have a problem which needs our attention. Either with or without an involuntary Reserve program, we need to see the full implications of an equitable system that will get the job done.

FOCAL POINT FOR MOBILIZATION PLANNING

The various pieces of the mobilization assessment and planning, from the various sources and agencies, need to be composed into a comprehensive assessment and presented to Congress for recommended actions. Mobilization planning begins with assessments of the net threat, which are already the responsibility of the Under Secretary of Defense for Policy. The bill would also assign the Under Secretary to supervise manpower mobilization planning, a closely associated matter. Under the bill Selective Service planning is placed with the Under Secretary of Defense for Policy. There is not now and there never has been anything wrong with locating Selective Service planning in the Defense

Establishment. The President's reorganization project recommends placing Selective Service there to improve coordination, save costs and increase efficiency. It should be done.

CORRECTING RESERVE OBLIGATIONS AND THE PRIVACY ACT

The final provisions of this bill would correct an inequity in the total military obligation of future volunteers and assure that the Privacy Act not be an obstacle to what is strictly required for military registrations. The bill would make the equitable and helpful requirement that future volunteers to active duty all be responsible to serve 3 years in the Reserves upon release from active duty. This would eliminate the uneven-handed present procedures which allow exemptions of all Reserve time for those 26 years of age at induction and also for time prior to delayed entry, which is an unequal treatment which should be ended. The bill would also allow regulations for access by the Selective Service System to information on ages and addresses, for conducting registration but for no purpose other than registration.

SUMMARY

Mr. Speaker, this bill is tailored directly to the recognized need for military registrations and for mobilization assessment. The time for action is clearly here. I am hopeful that my colleagues in the House will support this vital national security legislation. The bill itself follows:

THE MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

Be it enacted that—

SECTION 1. The President shall:

(a) Commence registration not later than October 1, 1979 under the provisions of section (3) of the Military Selective Service Act of 1967 (50 App. U.S.C. 453).

(b) Report to the Congress not later than June 30, 1979 on the plans for a modern and efficient system of registration. Such report shall include recommendations for any changes needed in the Military Selective Service Act of 1967 to improve the fairness and efficiency of the Selective Service System.

(c) Establish a National Advisory Committee to make recommendations for achieving adequate medical personnel.

SEC. 2. Title 10, United States Code, is amended as follows:

(a) Section 135(b) is amended by inserting at the end of the first sentence: "The Undersecretary of Defense for Policy shall supervise manpower mobilization planning in the Department of Defense."

(b) Section 138(c)(3) is amended by adding the following at the end thereof: "The annual report of manpower requirements shall be extended to include an assessment of the nation's capabilities to mobilize such additional manpower as may be needed to meet national security requirements under emergency situations. This assessment shall discuss the capability of mobilizing the active forces, selected reserve forces, other reserve personnel, personnel in a retired status and other persons not currently in the armed forces. The first such assessment shall specifically address the feasibility of a program of three months of active duty assignment for selected persons, followed by a three year reserve obligation."

SEC. 3. The Military Selective Service Act of 1967 is amended as follows:

(a) Section 10(a)(1) (50 App. U.S.S. 460 (a)(1)) is amended by inserting at the end thereof: "The Director of the Selective Service System shall report to the Undersecretary of Defense for Policy, except on such matters as specifically directed by the President or Congress. The personnel, property, records and unexpended balances (available or to be made available) of appropriations, allocations and other funds of the Selective Service System are hereby transferred to the Department of Defense."

(b) Section (9) (50 App. U.S.C. 459) is amended by inserting at the end of that section: "(k) Reserve Obligation. Each person who hereafter is enlisted or appointed in one of the armed forces and thereafter is released from active duty while meeting the qualifications for enlistment or appointment in a reserve component of that armed force, shall be transferred to a reserve component for three years, or as otherwise obligated by law, whichever is longer."

(c) Section (3) (50 App. U.S.C. 453) is amended by inserting at the end of that section: "Notwithstanding any other provisions of law, regulations may provide for access by the Selective Service System to age and address information in the records of any school, any agency of the United States, or any agency or political subdivision of any state, for the purposes of conducting registration, but for no other purposes."

LOCKHEED REPAYS LOAN TO THE UNITED STATES WITH INTEREST

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

Mr. DICKINSON. Mr. Speaker, just this past week I had the privilege of visiting the Lockheed California plant at Burbank.

I should point out that I have no Lockheed industry in my district, but I thought that the Members of the House should be aware, however, that a few years ago we were called on to underwrite, which we did, a massive loan guarantee for Lockheed, which Lockheed has, in fact, paid off. They not only paid off the loan but they paid the Federal Government $30 million in handling charges which meant that there was a net profit to the Government.

I think that anything this important to our national security, as well as our economy, should be recognized. I just wanted to call the attention of the Members to the fact that Lockheed not only paid off the loan which we guaranteed, but that we made a $30 million profit out of it.

DR. MELVIN EVANS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, as we greet the new Members of both parties I want to take this opportunity to specifically welcome Dr. MELVIN EVANS of the Virgin Islands.

As the first elected Governor of the Virgin Islands, from 1969 to 1975, MELVIN EVANS demonstrated the kind of leadership and concern for human needs that eventually won for him the support of the people of those islands in his campaign for a House seat.

MELVIN EVANS has been a doctor since 1944. He is a specialist in cardiology and internal medicine and was an outstanding student at Howard University both in undergraduate work and in the school of medicine.

He has public health degrees from Johns Hopkins, among other major institutions, and is deservedly proud of the honorary doctorate he received from his alma mater.

When asked about the election, EVANS stated that approximately 75 percent of the eligible voters of the Virgin Islands turned out on election day. He said:

That's not that high a turn-out, actually because people in the Virgin Islands take their politics seriously.

I agree and the proof of that is the excellence of the new Member they have sent us.

☐ 1605

INTRODUCING ELEMENTARY AND SECONDARY TUITION TAX CREDIT ACT OF 1979 AND SOCIAL SECURITY REFINANCING ACT OF 1979

(Mr. LEDERER asked and was given permission to adddress the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I rise on this first day of the 96th Congress to bring to the attention of the House two issues which were not resolved in the last Congress. I am here introducing the Elementary and Secondary Tuition Tax Credit Act of 1979 and the Social Security Refinancing Act of 1979. These two bills take up where we left off last year.

I am proposing a tuition credit of up to $150 for students at nonpublic elementary and secondary schools. Similar legislation was approved last year by the House but was dropped by the Senate and a compromise was not achieved in the short time remaining in the 95th Congress.

The cost of elementary and secondary education, both in public and nonpublic institutions, has increased dramatically in the last decade. This has placed a burden on the parents of the Nation, and the school systems around the country as well as the tax bases supporting education. The parents of nonpublic school children have a greater burden with each year's increases. The non-public-schools in my own city of Philadelphia, have just last week announced a dramatic tuition increase.

This tuition credit will in a small way relieve the burden on the families of non-public-school children. Many of these are low- and middle-income parents who want to continue to send their children to the school of their choice. This bill is necessary to relieve the immediate burden on the system of education in this country and to allow it to grow in the future.

The second bill I have introduced today will revamp the social security financing system by funding one-third from the employer tax, one-third from the employee contribution, and one-third from the general revenues. This formula was proposed by Chairman James Burke in the last Congress but

was not acted upon. This will take much of the burden of supporting the system off the employees and employers, many of whom are unfairly burdened by the present one-half to one-half system with wage base cutoffs. To insure that this imbalance does not continue, my bill also raises the wage base subject to social security taxes to $100,000.

This bill then will insure that all employees pay their fair share into the social security system. At the same time, the Government will take up the burden, through its contribution, of the many nonpension programs which have been added onto the social security base over the years.

I urge my colleagues to seriously consider both of these bills to insure their early consideration and timely conclusion in this session. We cannot avoid hard issues like these any longer. The education of our Nation's children and the security of all of us in our old age is at stake.

RESOLUTION TO CREATE SELECT COMMITTEE ON INFLATION

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, with over 25 cosponsors, I am today introducing a House resolution to create a Select Committee on Inflation.

Inflation is public enemy No. 1 and it must be brought to justice. As we move into 1979, prices are almost double what they were in 1967 and there is no end to the price increases in sight. The Consumer Price Index will climb three-tenths to four-tenths of a point, because of OPEC's 14.5-percent increase in oil prices. The expected phased decontrol of gasoline prices and the political turmoil in Iran will add further increases to the Index.

Congress must take action now. Congress can jawbone price increases much more effectively than the administration. It can effectively attack the inflation nightmare through this committee. It would be a nonlegislative, factfinding committee empowered to conduct a full and complete investigation and study of the causes of inflation in the United States. The committee would examine the causes and justification for wage and price increases affecting the cost of goods and services in all areas of the economy. The committee would be able to expose and criticize wage and price greed, while at the same time commending those who make special efforts to control inflation.

Mr. Speaker, I urge support of this proposal so that Congress can do its share of bringing inflation under control.

GAME PLAN FOR THE 96TH

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, we are about to kickoff the 96th Congress and Coach Taxpayer has given us the message: Reduce the size of Government, cut taxes, trim the costly bureaucratic regulation, pass sunset legislation, and stop inflationary spending. After a record 2,691 votes and nearly 24,000 bills and resolutions in the 95th Congress, I would have hoped that Coach Taxpayer could have had his way last year. But this is a new game, a fresh start, and I am sure there are many others in Congress as eager as I to score a few points for the folks back home.

I am encouraged by some of the new faces Coach Taxpayer recruited for the 96th. They hold political philosophies committed to limited Government and fiscal conservatism. It is clear to me from the results of the November elections that the voters are rapidly losing faith in the ability of the Federal Government to solve the Nation's problems. They know, for example, that a mandatory, comprehensive national health insurance program is not the correct approach to holding down the rising cost of medical care. They know an arbitrary ceiling on hospital costs is not the way to solve the problem of expensive hospitalization. They know that welfare reform is a priority deserving of greater attention by Congress. They know the importance of a balanced budget.

The game plan is on the drawing board, Mr. Speaker. I look forward to a productive 96th Congress.●

LEGISLATION DESIGNED TO GIVE FARMERS AND CONSUMERS AN EVEN BREAK WHEN IT COMES TO SUGAR.

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 5 minutes.

● Mr. SYMMS. Mr. Speaker, our domestic sugar industry is rapidly being destroyed, because the President and Congress has not taken any action for the farmers. The farmers are the people that have been overlooked by the Carter administration and the Department of Agriculture. While the Coca-Cola folks in Atlanta are making a bundle snuggling up to the Chinese Communists the American sugar farmer is going broke.

Senator MCCLURE, with whom I am cosponsoring this bill, along with Congressman HANSEN, has told me that on Monday, November 20, 1978, U and I, Inc., a pioneer sugar processor in the Intermountain West, announced it will go out of business. Its four processing plants are already up for sale. Located at Idaho Falls, Idaho; Garland, Utah, and Toppenish and Moses Lake, Wash., the four plants employ some 2,290 individuals on a full- and part-time basis. Hundreds of farmers and thousands of farmworkers contracted with U and I and pumped some $134.2 million into the local economies.

Now they are out of business and the same bleak future faces any number of sugar farmers and producers, because of the refusal of the White House to consider economic reality in the last session of this Congress. If these thousands of farmers are forced out of farming sugarbeets or sugarcane they are not likely to take other crops considering the high machinery costs, the bank interest rates, and the inflationary spiral of money.

If this Congress does not seek to work with the farmers then it may well starve. In Idaho, the only other crops that you might grow for profit are apparently already overproduced and are incapable of floating in a "regulated" market such as we have in this country. People say this is all too complicated, because they see the Coca-Cola people getting rich and the farmer suffering. Some even say we should get out of the sugar business altogether.

The United States cannot afford to get out of the sugar business. Just as with oil, once we are dependent upon a foreign source then that source is our owner and the price is dictated by some foreign nation and not by the marketplace in the United States. Once we come to our senses regarding the importation of sugar and allow a man to grow a crop without sucking up to the Federal Government sugar prices will fall. It is only when the market is really free at home that we can begin to see an end to the distorted Keynesian economics that the current administration is trying to force down our throats.

On the other side of the Hill, Senator MCCLURE is today introducing a similar bill that attempts to not only assure a viable industry for our sugar growers and processors, but will also assure a constant supply of sugar at extremely reasonable prices for the consumers of this country. The Senator and I agree that the old Sugar Act served the industry and the consumer for over 25 years.

This new bill is a new Sugar Act. As opposed to price supports, which means tax dollars to the citizen, this new act relies on import quotas and fees. Domestic consumption and production are determined by USDA while foreign nations are allocated the remaining demand. Supply is kept at a level only barely below demand and this assures a fair price to all concerned. Apparently, the existing means already exists at USDA to implement this bill thereby no new bureaucracy will emerge.

Action must be taken immediately to alleviate the plight of our farmers. This bill is designed to give the farmers and the consumers an even break when it comes to sugar.●

CARPENTERSVILLE EIGHT DESERVE VINDICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MCCLORY) is recognized for 10 minutes.

● Mr. MCCLORY. Mr. Speaker, nationwide attention was directed recently to the plight of the Carpentersville Eight; that is, Village President Orville Brettman, Village Manager George Shaw, and six trustees of the village of Carpentersville in my congressional district, who were sentenced to jail after being held in contempt for their refusal to issue building permits for 11 houses in the community.

According to my information—bolstered by a report from the village's consulting engineers—these Carpentersville officials were acting in good faith—on the ground that to permit these 11 additional houses to be hooked into the vil-

lage's sewer system—would or might create a danger to the health or welfare of the community from water pollution.

Mr. Speaker, it is my view supported by many of my constituents—and by expressions of public concern from around the country—that the U.S. district judge, Frank McGarr, exercised an excess of judicial authority when he ordered the incarceration of these village officials. In addition, I feel that either the State or the Federal Environmental Protection Agencies—or both—should have applied for permission to intervene in the U.S. court proceedings in order that the environmental question of threatened water pollution might have been considered—and resolved in those proceedings.

Mr. Speaker, I have prepared remedial legislation to effectively bar Federal judges from imposing such extreme punishment on village officials who are endeavoring in good faith, to uphold the environmental laws of the State and Federal governments.

Furthermore, I am introducing legislation which will require the intervention in proceedings such as that in which the Carpentersville Eight were involved—by the Federal Environmental Protection Agency.

Copies of the relevant House bills and brief explanations follow these remarks:

H.R. —

A bill to amend chapter 21, title 18, United States Code, so as to place certain limitations on the exercise of the contempt power by the courts of the United States

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 adding the following new subsection:

"§ 403. Limitation on the Contempt Power

"The criminal and civil contempt powers of the courts of the United States shall not extend to disputes involving an officer or employee of a State, municipality, agency or unit of local government, where the officer or employee is exercising good faith discretion, within the scope of his office or employment."

H.R. —

A bill to amend the Federal Water Pollution Control Act to limit the exercise of the contempt powers of the courts of the United States in environmental disputes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 509 of the Federal Water Pollution Control Act (33 U.S.C. 1369) is amended by adding the following new subsection:

"(d) The criminal and civil contempt powers of the courts of the United States shall not extend to disputes involving the overall effectiveness of a system assisted under this title, where an officer or employee of a State, municipality, agency or unit of local government is exercising good faith discretion, within the scope of his office or employment."

EXPLANATION OF THE FOREGOING TWO BILLS

This legislation aims at preventing a Federal judge from substituting his judgment for that of a State or local government official, through the use of his judicial contempt powers. That is a Federal judge would not be allowed to inappropriately impose his will on what is esentially a local matter.

The power of the courts to punish for contempt is inherent within the judicial function. However, these powers are not absolute and were never intended to permit interference with basic State or local decisionmaking. There is no question but that Congress has the power to limit and regulate the contempt powers of Federal judges. Precedents exist for this both in stautes and caselaw.

This bill is intended to apply to both criminal and civil contempt situations. Most notably it would forbid a Federal judge from incarcerating a State or local government official in a dispute surrounding a local issue. Federal judges should not be in a position to arbitrarily jail or fine local officials when the decision in dispute is one which falls within that official's job responsibility and has been made in good faith. It is important to emphasize that this legislation would, in no way, interfere, with Court enforcement of essential rights guaranteed by the U.S. Constitution or in Federal law.

H.R. —

A bill to amend the Federal Water Pollution Control Act to facilitate contract enforcement and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(e) of the Federal Water Pollution Control Act (33 U.S.C. 1283(e)) is amended to read as follows:

"(e) At the request of a grantee under this title, the Administrator shall provide technical and legal assistance in the administration and enforcement of any contract in connection with treatment works assisted under this title, and to intervene in any civil action involving the enforcement of such a contract. Such technical and legal assistance shall also be provided in those instances where a serious question is raised in connection with the overall effectiveness of a system assisted under this title, so as to pose a potential threat to the public health or welfare."

STATEMENT OF THE BILL'S PURPOSE

This bill requires the Administrator of the Environmental Protection Agency to provide technical and legal assistance in matters related to contracts pertaining to an overall sewage system as well as treatment works assisted with EPA funds and to intervene in legal proceedings when requested by local officials.

As the law now reads, the Administrator has the discretion to intervene or not, and then only in regard to those contracts pertaining strictly to treatment works.

Where the federal government through the EPA is substantially involved in the problem, it seems both fair and logical that this agency be required to provide such technical and legal assistance—and to intervene—not merely in regard to contracts pertaining to the treatment works project but to contracts pertaining to the whole system and its overall effectiveness where there is a potential threat to the public health or welfare.●

ECONOMIC GROWTH AND PRICE STABILITY PROGRAM OF 1979

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes.

Mr. BROWN of Ohio. Mr. Speaker, the Nation faces severe economic problems. Congress must use its wisdom, creativity, courage, and statesmanship to solve them.

We must act quickly because the people of this country have suffered too long. Our economy is beset by:

An inflation rate teetering on the brink of double digits.

A growing real tax burden and an adverse regulatory environment leading to a slowing of the growth of our real gross national product.

Serious underinvestment, aggravating a failure to achieve a reasonable strategy for longrun economic growth.

A serious threat of recession.

Productivity increases in the American business sector economy at about 0.1 percent, as the American manufacturing plant continues to age.

A continuing gnawing problem of heavy structural unemployment, especially among blacks and teenagers, despite welcome improvements in the total unemployment picture.

Clearly, the major economic concerns of Americans today are inflation, taxes, Federal deficits, Government regulation, and structural unemployment.

Today, as ranking minority member of the Joint Economic Committee, I am introducing a package of legislation and cosponsoring other bills, which together make up a Republican economic program to solve the foregoing list of economic ills. The goal of the package is to stimulate economic growth and curb inflation. It incorporates the best economic proposals of the last Congress plus several new initiatives. It is in the forefront of sound, modern economic theory, which takes into account both the supply side and demand side of our economy.

The economic package contains six elements: tax reform, reduced Federal spending, a savings tax credit, reduced Federal regulation, deferred minimum wage increases, and a targeted program to cure structural unemployment. I believe this is a well balanced program, and it hits at the key sore spots in our economy.

In recent years, policymakers have been at a loss to explain why inflation and unemployment have been so stubborn. The fact is, inflation and unemployment have only been as inflexible as the policymakers. The policymakers have lumped tax policy and spending policy in one category, fiscal policy, and have lost all flexibility by treating it as one rigid policy tool. They have linked fiscal policy to monetary policy in rigid fashion as well. Monetary and fiscal policy were either both too tight or both too easy, all stop or all go. Demand was pumped up or drawn down. No attention at all was paid to supply policy, or to ways in which tax policy could be used independently to affect costs, prices, employment, and growth.

Recently, Michael Evans and Alan Greenspan testified before the Joint Economic Committee. They agreed that there were indeed other policy combinations that could be used to fight the upcoming recession, generate growth, and avoid inflation, all at the same time.

Inflation is too much money chasing too few goods. The trick is to fight inflation by reducing money growth, while stimulating production, the supply of goods and services, through carefully designed tax reduction and restructing, and reducing the growth of Federal spending to eliminate Federal borrowing and crowding out. These targeted policies, some easy and some tight, could solve our problems.

Evans and Greenspan were pessimistic that such a program could survive the emotional, ideological, and educational barriers it would face in the Congress and the administration. In introducing this economic package, I am betting that Evans and Greenspan are right about their economics, and wrong about the Congress.

In recent years, we have pumped up demand by increasing spending, cutting taxes—supposedly—and creating money faster than ever. We have had the biggest deficits in history. We assumed that supply would automatically rise to satisfy the demand. This policy did not work. Output did not respond.

Output did not respond because Government has strangled it with higher taxes, higher costs, and higher regulatory burdens. Government has pumped up demand and throttled supply. No wonder we have had inflation. Furthermore, that same inflation has only made the supply situation worse.

Inflation is to economic growth what a cold shower is to romance. Inflation lowers the rate of return to every worthwhile growth activity. As the reward falls, the activity declines.

Inflation pushes people into higher tax brackets. Our so-called tax cuts of recent years have not kept pace, especially if we include social security taxes. The marginal taxes taken out of each cost of living raise have reached amazing levels. Even middle income taxpayers now face tax rates of 40 to 50 percent on each additional dollar earned.

The high and rising marginal tax burdens have reduced the rate of return to labor. There has been no increase in real after tax spendable earnings for the average worker since 1965. Extra effort is taxed at record rates. Workers have substituted leisure, early retirement, and nontaxable fringe benefits for added work and added pay.

Saving is also hard hit. The after tax reward to saving is miserably inadequate in view of the great social service that saving performs. Saving is inherently double-taxed. Income is taxed when earned. If it is spent on a good or service, only a small sales tax is incurred. If it is saved, the "service" acquired—interest or dividends—is taxed at rates up to 70 percent. Inflation increases this double tax burden as it pushes taxpayers toward the upper brackets, reducing the reward to saving even further. Taxpayers have substituted consumption for saving, and tax-sheltered saving for ordinary saving. The supply of saving to the stock, bond, and other credit markets for use by ordinary business has been choked off.

Inflation has caused a gross understatement of depreciation, the amount of plant and equipment that is wearing out. As a result, business profits are overstated, and taxes are overpaid by 25 to 30 percent. The rate of return on the use of equipment is reduced, leading to a drop in desired investment. The cost of just standing still increases, as depreciation allowed by the tax code proves inadequate to replace old machinery. Even as overstated taxes and mandated pollution control spending reduce corporate cash flow, firms must dip into that cash flow to pay inflated prices for new machines. Little is left over to raise dividends or make higher interest payments to overcome the reduced desire to save on the part of taxpayers.

The supply of credit to business is further reduced, and the cost of that credit increased, by the increasing preemption of our limited supply of savings by Government borrowing to fund the Federal deficit.

The general profitability of business is further eroded by an enormous regulatory burden, the cost of which is now in the neighborhood of $100 billion a year, almost 5 percent of GNP. This discourages all forms of production. It curbs the use of plant and equipment, labor, land, and inventory, and stifles the reward to training and education. It results in the underemployment of every conceivable factor of production.

How do we fight this situation? There is no great mystery. The methods have been thoroughly studied and are ready to use if we only have the will. Here is the program:

To fight inflation and defend the value of the dollar, curb the creation of new money.

To keep slower money growth from causing a credit crunch and recession, get the Government out of the credit market by curbing the growth of Government spending to end the deficits.

To further increase the supply of credit for real growth, encourage saving by cutting personal tax rates and index the personal income tax to keep inflation from undoing the tax cut. Institute a credit for additional saving to offset the double taxation which saving now faces.

To encourage business to use the added saving to produce real growth, enact replacement cost or indexed depreciation. Encourage the employment of all inputs in their most efficient uses by cutting corporate tax rates to discourage the use of shelters. Index the corporate tax brackets to keep inflation from undoing the tax cut.

To prevent the taxation of illusory capital gains due only to inflation, adjust the purchase price of capital assets for inflation when calculating taxable gains.

To reduce our soaring regulatory burden, enact the following reforms. Abolish existing regulations that are excessive, duplicative or contradictory. Require that regulations be drafted to minimize costs to consumers and businessmen. Establish a regulatory budget, which puts a cap on the cost each Federal agency or department could impose on the private sector.

To increase work effort and the supply of labor, reduce personal tax rates and index the income tax to keep inflation from undoing the tax cut.

To make untrained workers employable, institute a wage subsidy for the hiring of unskilled workers, putting the hard core unemployed into real training programs in the private sector. Delay further increases in the minimum wage in order to prevent thousands of teenagers and unskilled workers from being priced out of the market.

That is the program. It is infinitely more flexible than the stop-and-go policies of recent years. It can fight unemployment and inflation simultaneously. It will produce sustainable real economic growth and higher living standards for the first time in nearly a decade.

Here is a description of the bills.

PERSONAL TAX RATE REDUCTION

Increased tax credits or rebates, or wage guarantees, do nothing to increase the rate of return, the reward after taxes, to additional labor or saving. Only reduction of the marginal tax rates in each bracket, the rates that apply to added earnings due to added effort, can do that. The first section of the new Kemp-Roth bill provides for real marginal tax rate reduction for the first time since 1964. I do not reintroduce that bill here.

However, it should be considered to be part of a sound program to increase work effort and total saving, and to redirect saving out of shelters and into America's ordinary cash-starved businesses. A tax reduction bill of this size is only slightly larger than the tax increases that will be generated in the next few years due to social security tax increases and the effects of inflation in pushing people into higher tax brackets. Kemp-Roth is not large enough to work through the stimulation of demand. It works primarily because it is the right shape to stimulate supply.

INDEXING THE PERSONAL INCOME TAX

Each year, as incomes rise to keep up with the cost of living, millions of workers find themselves in higher tax brackets. The increased tax burden often robs the worker of any real increase in spendable earnings. In fact, today's average worker has had no real increase in real spendable earnings, after taxes and inflation, since 1965. That is 14 years of stagnant real spendable income even though nominal wages have more than doubled.

Because of higher tax brackets, many workers are discouraged from accepting overtime labor bargains for nontaxable fringe benefits, including more time off. Spouses who might seek part-time work find the added income taxed at high rates, and stay home. Saving is discouraged, as inflation erodes the principal and higher tax brackets steal the interest. Tax shelters are now used by millions who once had no need for them. Others simply spend. Growth rates of employment and real income are reduced.

Under the current Tax Code, tax revenues rise about 16 percent every time prices rise by 10 percent. The extra 6-percent rise in revenue is due to "bracket creep" as inflation pushes taxpayers into higher tax brackets. Bracket creep has effectively repealed the Kennedy tax cut and subsequent tax reductions. Today, because of bracket creep, a worker has to demand a cost-of-living raise of 10.5 percent to keep up with 9-percent inflation plus higher taxes due to bracket creep.

Indexing prevents inflation from pushing taxpayers into higher tax brackets just because they receive a cost-of-living increase. Indexing would hold Government revenues to a 10-percent increase when prices rose 10 percent. Thus, it does not deny the Government the revenue needed to keep up with prices. It simply denies the Government its automatic windfall from inflation.

Under the bill, each December, the Secretary of the Treasury would calculate the percent by which the average Consumer Price Index, for the 12 months ending September 30 of that year, had risen to the average Consumer Price Index for the 12 months ending September 30, 1978. All fixed dollar amounts in the income tax tables would be increased by that percent; the personal exemption, the "zero tax bracket"—that is, the standard deduction—and all the income levels which separate one tax bracket from the next, would be adjusted. This is the standard textbook method for accurately insuring that the same real income always faces the same real tax rate, both on average and at the margin. It ends the current system under which taxpayers on average have faced tax rates on additional income which are 1 or 2 percent higher each year. It ends the bracket creep problem which nurtures tax shelters, consumption, and leisure at the expense of work effort and straightforward saving and investment. It gives workers a chance for real wage increase even without double-digit wage demands. Without indexing, no program of wage guidelines has any chance of success.

The indexing bill I am introducing begins in 1980, to keep the new tax rates for 1979, enacted in the Revenue Act of 1978, from being increased by inflation. However, even these 1979 tax rates are too high. Ideally, these rates would be reduced sharply to restore the work and investment incentives lost since 1964, and to roll back the use of tax shelters. Thus, a tax rate reduction program, such as has been proposed by Senator ROTH and Congressman KEMP, should be enacted, with indexing to take effect thereafter. The new Roth-Kemp bill includes just such a proposal for indexing to take effect in 1983 after 3 years of tax rate reduction.

If rate reduction is not enacted, immediate indexing becomes imperative. Indexing would not roll back the use of tax shelters nor restore incentives lost to previous taxflation. Only rate reduction can do that. However, indexing would prevent the further deterioration of spendable earnings and savings due to future taxflation.

INDEXING CAPITAL GAINS

This bill, modeled after the Archer amendment to the Revenue Act of 1978, would adjust the basis of capital assets for inflation in determining gains and losses for tax purposes. It would involve increasing the purchase price of our asset by the percent increase in the Consumer Price Index since the asset was levied on purely illusion "gains" due to inflation.

Capital gains have been eroded by inflation to such an extent that most reported capital gains are really losses when adjusted for inflation. Prof. Martin Feldstein reported to the Joint Economic Committee on an exhaustive study of capital gains reported in 1973 tax returns. Taking all returns into account, the reported nominal gains of $4.6 billion were in fact real losses of nearly $1 billion, yet all the reported gains were taxed. Worse yet, the bulk of this overtaxation fell on middle-income taxpayers. The Tax Code was never intended to operate in this way. On average, on those "gains" which were still gains even after adjusting for inflation, the real effective tax rate was doubled. Those who paid taxes on real losses were, in effect, subject to a capital levy, a tax rate in excess of 100 percent.

As was pointed out in the 1978 Joint Economic Report:

> Capital gains are already overtaxed. They are not ordinary income, and we should not be trying to tax them as if they were.
>
> Capital gains occur when the price of an earning asset rises. The price increase is generally caused by a perceived increase in the future earnings of the asset. Those future earnings will be taxed when they occur. To tax the rise in the asset's value as well as the future earnings is to double tax those earnings. For this reason, no major nation treats capital gains as ordinary income.

To add to this double-taxation by imposing taxes on the portion of gains due to inflation raises the effective tax rate well above rates intended in the tax code. In fact, taxing real capital losses means we impose a tax in excess of 100 percent on the "profit" from many transactions. This combination of inflation plus a tax on capital transfers has "locked-in" thousands of investors and sharply reduced trading of all types of property. As a result, as several studies show, the Government is actually losing more money because of discouraged activity than it gained by raising capital gains tax rates in 1969.

More importantly, the country has lost out on a great deal of growth because saving and the efficient allocation of capital have been retarded.

INDEXING THE CORPORATE INCOME TAX BRACKETS

The Revenue Act of 1978 created a graduated corporate income tax. Rates are 17 percent on the first $25,000 in profit, 20 percent on the second $25,000, 30 percent on the third, 40 percent on the fourth, and 46 percent on profit above $100,000. However, if these brackets of $25,000 each are not widened to keep pace with inflation, small businesses will be inflated into high tax brackets in only a few years, reducing rates of return and discouraging real expansion. It takes only 10 years for inflation of 7 percent to double a profit figure, yet that doubled profit is worth no more than the original profit.

At the current inflation rate of 9 percent, doubling occurs in only 8 years. This bill widens the corporate tax brackets to keep pace with the gross national product implicit price deflator. This is analogous to indexing the personal income tax brackets by adjusting them for increases in the Consumer Price Index.

INDEXING DEPRECIATION, REDUCING AND RESTRUCTURING CORPORATE TAXES

This bill, submitted by Representative STOCKMAN in the 95th Congress, is designed to restore the rates of return to business investment and to the production of goods which inflation and rising taxes have destroyed. It is needed if there is to be sufficient incentive to use our existing industrial capacity, and to put additional labor, capital, and other resources into actual production. It is needed to make suppliers willing to respond to the demand we have created. Without such a response, demand produces nothing but further inflation.

INDEXING DEPRECIATION

Depreciation must be indexed to keep up with inflation if business is to recover the cost of replacing worn out equipment. This bill provides for indexed or replacement-cost straightline depreciation, repealing the inadequate asset depreciation range and accelerated depreciation provisions now in the code. Under present law, the purchase price of a machine is written off over several years. But, over those years, inflation erodes the value of the dollars written off. The firm never writes off the full real cost of the machine, because the dollars written off in later years have less value than the dollars originally paid out at the time of purchase. This increases the effective cost of the machine, which reduces the firm's rate of return to investment and reduces its desire to invest. This underdepreciation prevents the deduction of a real cost of business, and, thus, overstates the real profit of the firm. Therefore, the firm pays excessive taxes, which cripples its cash flow and reduces its ability to invest.

As inflation has increased, underdepreciation of inventory and equipment has assumed alarming proportions. In 1969, the sum of the inventory valuation adjustment and capital consumption adjustment, the amount of overstatement of corporate profits, was $2 billion, out of profits of $81 billion. In the first half of 1978, at annual rates, the overstatement of profits was $36 billion out of $146 billion. In 9 years, the overstatement of profits has risen from 2.5 to 25 percent of profits, drastically increasing taxes and decreasing rates of return on capital investment and production.

In fact, in recent years, effective tax rates on the real profits of such basic industries as steel, utilities, communications, and transportation have actually exceeded 100 percent. Failure to adjust depreciation for inflation has imposed taxes of several billion dollars on phantom profits in struggling industries with real losses.

For industry in general, effective tax rates on real profits have increased from roughly 40 cents on each dollar, after the tax cuts of 1962 and 1964, to roughly 50 or 60 cents by 1977. These are increases of 25 to 50 percent over the 1965 rate. No wonder supply is less responsive to demand than it used to be.

Indexing depreciation on a straightline basis for inflation or replacement cost—whichever is less—is a concrete application of dozens of studies and suggestions made by tax and growth experts over the last 20 years. The principles are universally understood and have been studied to death. This bill provides a convenient and simple means of putting these principals of sound tax policy into practice.

Straightline replacement cost or indexed depreciation is the only adequate

method of restoring rates of return on investment in a nondiscriminatory, nondistorting fashion. The asset depreciation range and accelerated depreciation provisions already in the law are completely inadequate by some $15 billion, to compensate for the distorting effects of inflation. It would take 1 year write-offs of short-lived assets, and 5-year write-offs of long-lived assets, to come close to coping with the problem, and such provisions would open up recapture questions and misallocations of resources easily avoided by using replacement cost methods.

CUTTING CORPORATE TAX RATES

Replacement cost depreciation is designed to eliminate a peculiar tax bias against the use of machinery, as opposed to other inputs, in the production process. Corporate tax rate reduction is needed to raise the rate of return to output in general, simultaneously increasing the rate of return on the utilization and upgrading of all inputs, including labor, labor training, machinery, R. & D., inventory, and structures. This bill reduces the tax rates on corporations as follows:

Taxable income	Current law	Under the bill
0 to $25,000	17	14
$25,000 to $50,000	20	17
$50,000 to $75,000	30	25
$75,000 to $100,000	40	33
$100,000 and over	46	38

A reduction in the corporate tax rate increases the amount of after-tax income left to a firm, however, it expands output. The firm will increase its use of factors in the most efficient way, not confining itself to adding machines instead of men, or holding more inventory instead of improving forecasting and management techniques.

RESTRUCTING OF CORPORATE TAXES

In theory, a common low tax rate applied to a common tax base for the whole corporate sector would eliminate the biases and distortions alluded to above, and maximize growth. Most experts regard corporate rate reduction as preferable in this regard to the credits and special deductions in the present code. This bill achieves a common tax rate, and helps to finance deep corporate tax cuts and replacement cost depreciation, by repealing nearly all major corporate tax loopholes, including the investment tax credit, DISC, the intangible drilling expense deduction, excess depletion allowances for minerals, rapid amortization of pollution control equipment and other similar preferences.

The common base of taxable income is provided by permitting depreciation allowances to be indexed to current replacement costs. This will put all industries—whether capital—or labor-intensive, or whether employing long- or short-lived assets—on a common ground for the purpose of calculating taxable income.

Finally, the bill lowers the corporate tax rate to 40 percent in order to provide across-the-board incentives for increased investment.

For most of our industry, the drop in the corporate rate to 40 percent is enough to raise the rate of return on investment by more than the investment tax credit, which the bill repeals. The money saved by repeal of the ITC pays for the rate reduction, and the rate reduction also raises the rate of return on hiring and training labor, and on structures, inventory, and R. & D. Giving firms replacement cost depreciation further raises the return on capital goods.

Other loopholes dropped are of little value in raising output. They are mostly lump-sum transfers to certain types of firms. The transfers do not generally reduce costs on added output significantly and so are more in the nature of windfalls than spurs to output. In each case, the affected firms gain far more from the package than they lose.

This bill is of great benefit to basic industry now suffering from underdepreciation—steel, textiles, autos—good for employment, good for growth and wages, and good tax reform because it removes distortions while strengthening general incentives.

SAVINGS ACT OF 1979

In order to provide the credit markets with additional funds for the financing of economic growth, the Savings Act of 1979 is designed to encourage and to assist Americans to save and invest—activities which many of our citizens find next to impossible in an inflationary period.

The bill allows a tax credit of 50 percent for additions to all types of bank and savings accounts, stock and taxable bond holdings, insurance, and assets of small businesses. It will sharply increase the reward to saving, and will, for the first time in years, allow many of our citizens to have a real return after taxes and inflation on their savings. It will enable many people to set aside sufficient funds for the purchase of a home, payment of tuition or medical expenses, a secure retirement, and the many other goals our citizens have worked so hard to reach, only to be cheated out of them by taxes and inflation.

While helping savers to reach these goals, this bill will help the country reach its goals of full employment and no inflation. By adding to the supply of saving, the bill makes possible the funding of far more investment in plant and equipment, the modernization of thousands of more factories, and the creation of hundreds of thousands of additional jobs each year. By increasing productivity and the demand for labor, this will make American industry more competitive with foreign firms even while providing real wage increases for American workers. By funding the investment out of saving, instead of through money creation by the Federal Reserve, and by increasing efficiency and the supply of goods, the bill will reduce inflation.

The United States has long had the lowest rate of saving and investment in the Western World. As a consequence, every other major Western nation has a better employment record, and a faster rate of growth of real wages and fringe benefits than the United States.

WAGE INCREASES, INVESTMENT, AND SAVING

	1965–75 percent change in real wages and fringe benefits [1]	Investment as percent of GNP—Averages, 1960–73		Household savings ratios, 1976 estimate (percent)
		Total	Total minus home-building	
United States	15.7	17.5	13.6	6–8
Canada	48.5	21.8	17.4	10–12
Japan	138.9	35.0	29.0	24–26
France	77.4	24.5	18.2	16–18
Germany	78.1	25.8	20.0	14–16
Italy	116.4	20.5	14.4	22–24
United Kingdom	53.9	18.5	15.2	12–14

[1] Includes pension programs and other fringe benefits.

Sources: Bureau of Labor Statistics, OECD.

Last year, before the Joint Economic Committee, a panel of experts on growth and capital formation zeroed in on the bias in the tax code against saving. Income is taxed when earned. If it is consumed, it purchases a service or a product with little added tax. If it is saved, the service—interest or dividends—is taxed a second time at higher tax rates. The experts recommended removing saving from taxable income as the best way to return the tax code to neutrality between consumption and saving. Taxes would remain on the earnings of saving, but we would no longer be double-taxing both saving and its earnings. This bill is a major step in that direction.

The bill recognizes the difficulty lower income taxpayers have in saving by providing a tax credit rather than an exemption. Lower income taxpayers would receive a credit on all eligible savings.

Middle and upper bracket taxpayers have historically saved higher percentages of their incomes than lower bracket taxpayers. To sharply reduce the cost of the bill, these taxpayers would receive a credit only on eligible savings done in excess of the normal percent of income saved by people in their income brackets.

This savings credit will restore the attractiveness of straightforward saving in basic U.S. industry, small business, and homebuilding, as compared to inefficient but tax-sheltered projects. A 50-percent credit doubles the reward to such taxable investment and saving for any given interest rate or dividend. Thus, this credit will produce a reallocation of saving into projects of the greatest value in terms of economic growth and modernization of American plant and equipment.

Savings is the key to noninflationary economic growth. Growth is the key to full employment, rising living standards, and a sound social security system.

The first part of the bill creates a nonrefundable credit against the personal income tax equal to 50 percent of eligible net saving—defined below—insofar as the saving exceeds certain required levels.

The required levels, called threshold saving amounts, are based on the taxpayer's adjusted gross income less personal exemptions. The thresholds—see table—rise with income to reflect the fact that as a family's income rises, its

saving, as a percent of its income, also rises. Only saving in excess of the threshold level is eligible for the credit.

Adjusted gross income less exemptions	Percent of income less exemptions which saving must exceed to qualify
Not over $10,000	0
Over $10,000 but not over $12,000	1
Over $12,000 but not over $15,000	2
Over $15,000 but not over $20,000	3
Over $20,000 but not over $25,000	4
Over $25,000 but not over $50,000	5
Over $50,000 but not over $100,000	6
Over $100,000 but not over $200,000	8
Over $200,000	10

Thus, a family earning $9,000 which saves $500 in eligible assets receives a 50-percent tax credit on the full amount. A family earning $18,000 would be expected to save 3 percent, or $540, before being eligible for the credit. If it saved $1,000, it would receive a credit on the $460 in excess of the required $540. A family earning $36,000 would be expected to save 5 percent, or $1,800, before being eligible for the credit. If it saved $3,000, it would receive a credit on the excess $1,200.

The bill then defines eligible net savings as the sum of net saving less ineligible debt.

Net saving is:

First. Saving in certain business: The taxpayer's share in the increase in book value—largely cash increases, inventory increases, investment in additional equipment and structures—of small businesses such as partnerships, proprietorships, and closely held corporations, plus purchases of and loans made to small business. These amounts are readily available, since they are already calculated for tax purposes;

Second. Saving in liquid assets: Saving in checking accounts, savings accounts, and savings bonds. Amounts in accounts at commercial banks, savings and loan institutions, mutual savings banks, and credit unions at the end of the year would be compared to the amounts on deposit at the end of the previous year. The net increase would be part of eligible net savings, as would savings bond purchases less redemptions;

Third. Saving in certain investment assets: Stock purchases minus sales, and purchases of taxable bonds—Federal or private sector—minus sales are eligible. These records are already kept for tax purposes;

Fourth. Savings in mortgage assets and investment real estate: Investment in mortgages or real estate, plus improvements, less loans repaid or property sold; and

Fifth. Saving in company savings plans, retirement plans, and life insurance: Payments into plans or on premiums, less withdrawals from or borrowing against such plans or policies.

Ineligible debt must be subtracted from net saving. Not only is debt a form of "negative" saving, but this provision prevents borrowing on existing assets to make deposits solely to get the tax credit. Ineligible debt is debt acquired in the tax year other than for the purchase or repair of a home or other property or the payment of medical or tuition expenses of the taxpayer or dependents.

Another safeguard is a recapture provision for credits on savings not left in some form of eligible assets for 5 years. This provision would not apply to withdrawal from savings for retirement income.

The income levels attached to each threshold percent would be indexed to prevent inflation from making the credit harder to receive over time.

FEDERAL SPENDING LIMITATION

This bill amends the Budget Act to require that spending ceilings in future budget resolutions for fiscal years 1980, 1981, 1982, and 1983 not exceed, respectively, 21, 20, 19, and 18 percent of each years' projected GNP, except by vote of two-thirds of each House of Congress.

REGULATION

One of the most serious problems facing our economy is the stifling effect on profits, incentives, and investments from Federal regulations.

Over the past decade, we have witnessed a huge explosion of Federal rules and regulations. In the mid-1950's, some 10,000 pages were published in the Federal Register each year. By 1970, 15 years later, that number had doubled to 20,000. but, by 1977, the number of pages added was 65,000. Today, the cumulative Federal Registers fills 52 large shelves, and totals over 800,000 pages, and is growing. In fact, Federal regulation is America's No. 1 growth industry.

Shelf space to house these regulations is not what concerns me. What concerns me is the costs these regulations impose on our economy.

In a recent study for the Joint Economic Committee, Murray Weidenbaum, professor at Washington University in St. Louis, put the private sector compliance costs at $97.9 billion. In addition, the agency administrative costs total $4.8 billion.

Much of this $102 billion regulatory burden is well intentioned. Concerns over safety, the environment, and consumer protection are legitimate concerns. But, it is time we applied some cost-benefit analyses to these regulations. There must be situations where the cost burdens imposed on society by these regulations exceed the benefits to society.

A number of witnesses who testified before the Joint Economic Committee last year made a strong point of the fact that Federal regulation aggravates our inflation problem. Higher prices due to regulation stem from two sources: First. the direct dollar expense of compliance with the regulations, currently costing nearly $100 billion in the aggregate, about 7 percent of personal consumption expenditures—as a micro example, Government safety and pollution-control devices add $660 to the price of the average automobile. Second is the adverse impact on productivity—when scientists and researchers are diverted from the constructive pursuits for which they are trained and qualified, to collective data and filling out forms for Government agencies, productivity declines. Edward F. Denison of the Brookings Institution has estimated that, in recent years, Government regulations have caused a loss of approximately one-fourth of the potential annual increase in productivity. This reduced output-per-person, of course, exacerbates our already disturbing inflationary pressures.

Something must be done. Americans want these burdens removed; they want action now.

REGULATION REFORM LEGISLATIVE IN 1978

Last year, we made a beginning in the battle to rein-in galloping regulations and the galloping inflation they generate. Senator BENTSEN and some of his colleagues in the Senate and I and some of my colleagues in the House introduced four bills designed to reduce or eliminate contradictory regulations and to reduce the cost of Federal rules and regulations.

The Senate version of one of these bills, S. 3263 in the Senate and H.R. 14371 in the House, was added as an amendment to S. 2, entitled the "Sunset Act of 1978"—section 704. S. 2 was adopted by the Senate, but no action was taken on this bill in the House in the 95th Congress.

I hope the final outcome will be different this Congress.

The regulatory reform package I am introducing today is varied, covering four aspects. It is designed to alter our Federal regulatory system. It introduces accountability—both in the Federal agencies and in the Congress. It introduces a system for abolishing existing regulations which are excessive, duplicative, contradictory, or inefficient. It mandates a thorough overhaul of the system for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. It seeks to reduce the cost of individual rules and regulations, both in direct tax costs and in the indirect costs of complying with them. The four bills are entitled: the Regulatory Conflicts Elimination Act of 1979, the Independent Agencies Regulatory Improvements Act of 1979, the Regulatory Cost Reduction Act of 1979, and the Federal Regulatory Budget Act of 1979.

Briefly, this is what each bill does:

The Regulatory Conflicts Elimination Act of 1979: Under this legislation, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with one another. At the start of each fiscal year, the President and the head of each agency will submit to Congress his recommendations for resolving or eliminating duplication or conflicts among these rules or regulations. The recommendations will go into effect 60 days following their submission unless Congress disapproves. The GAO will evaluate the President's recommendations as well as each agency's progress in implementing the recommendations.

It is senseless for a businessman to be put squarely between the rock and the hard place where complying with one regulation requires violating another.

This legislation is designed to eliminate the irrationality of overlapping and contradictory regulations.

The Independent Agencies Regulatory Improvements Act of 197: My second bill fills a void in regulatory reform which arose when President Carter issued his Executive Order 12044 last March 23, 1978. When that order was issued, the independent agencies were not covered by its provisions on constitutional grounds. My legislation brings 17 independent agencies—it includes the Federal Reserve—under the provisions of that March 23, 1978, Executive order it incorporates the basic provisions of that order. It directs the Federal agencies to improve existing and future regulations. It calls for an analysis of new major regulations, including a study of economic consequences for the economy, for individual industries, for geographical regions or for levels of government. Regulations requiring analysis are those which result in: First, an annual effect on the economy of $100 million or more; or second, a major increase in costs or prices for individual industries or georaphic regions. In general, the Executive order calls for greater clarity of language, increased oversight, early warning announcements to the public, and opportunities for public involvement and comment.

THE REGULATORY COST REDUCTION ACT OF 1979

Under this legislation, the regulatory agencies—the independent regulatory agencies as well as those in the executive branch—will be required to meet their regulatory objectives in the most cost-effective manner available.

Congress generally fails to impose a cost-effectiveness requirement in most measures establishing new regulatory programs. As a result, regulatory agencies often issue regulations that employ excessively costly methods to achieve their goals. This is a tragic waste of our country's scarce resources.

We need to clean up our environment, we need to make our highways safe, we need to improve the health and safety of our work places. But, if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other important goals.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and to choose the least costly alternative. They will be required to publish a regulatory impact analysis in the Federal Register to back up their existing regulations. The only regulations exempt from this requirement are those dealing with military affairs, agency managment, and procurement.

Regulation on its face is bad enough. But onerous regulation, not founded on least-cost principles, frustrates business and hurts consumers. If we have to have regulation, enactment of this bill will assure that it is at least efficient regulation.

THE REGULATORY BUDGET ACT OF 1979

My final bill would amend the Congressional Budget Act of 1974 to require the Congress to establish a regulatory budget, along with an administrative budget, which sets for each agency or department the maximum costs of compliance with rules and regulations promulgated by that agency or department. This bill, each year, forces the President and Congress to put a cap on the costs each agency could impose on the private sector, similar to ceilings imposed on the costs of administering the agencies. In addition, it sets as an objective a reduction in the cost of compliance with Federal regulations of 5 percent per year for 5 years.

It establishes a formal mechanism within the framework of the Congressional Budget Act passed 5 years ago for limiting the burden of Federal rules and regulations. Annually, the President and Congress would establish a maximum regulatory cost—a ceiling—for each Federal agency. This ceiling would be fixed, inviolate, just as agency budgets are today. The cap would be determined after an extensive, broad-based series of hearings, administrative reviews, with ample opportunity for public input.

What we are dealing with here is ministrative budget—on-budget items. process. First, we have the regular administrative budget—"on-budget" items. Second, we have 15 off-budget activities, totaling about $12 billion in fiscal 1979. Third, my bill requires an accounting for $98 billion worth of "off-off-budget" items, namely the costs of compliance with Federal regulations. These costs have the same effect as a tax imposed on businesses.

My bill will remove the ignorance surrounding the actual magnitude of costs imposed on the private sector by Federal regulations. This bill, and the other bills I am introducing, would force the Federal agencies to account for their rules, to assess what associated costs exist, and to toe the line in minimizing their costs.

The congressional budget process has worked well in serving to stress the need for spending restraint by Congress. It has increased Congress' ability to assess the current status of the Federal budget, and to project—and thereby control—future spending levels.

It is my hope that the Federal Regulatory Budget Act will yield similar benefits in reining in the runaway cost of burgeoning Federal regulations. There is little question that such restraints are long overdue. It is my conviction that adopting the Congressional budget process is the best and most effective way to impose these restraints.

DEFERRAL OF NEXT MINIMUM WAGE INCREASE

On January 1, 1979, another increase in the minimum wage, from $2.65 to $2.90 per hour, took effect and is expected to add 0.5 percent to the inflation rate. This is the estimate of Federal Reserve Chairman G. William Miller, in hearings before the Joint Economic Committee last summer. The analysis that went into that figure is as follows:

> There will be upward pressure on wage rates from workers above the minimum who want to maintain their traditional relative wage position and from noncovered workers who attempt to emulate the gains made by covered workers. . . . Since no additional productivity gain can be expected to accompany any minimum wage adjustment, unit labor costs will be boosted by a comparable amount, and historical evidence suggests that about two-thirds of the rise in unit labor costs is passed through into higher overall prices. In addition, these higher prices will have secondary effects on other wages that are linked to prices through escalator clauses. . . . Thus, if the January, 1979, minimum wage increase was deferred, the rise in prices could be reduced by nearly one-half percentage point from that which would have occurred otherwise."

Next January 1, 1980, another increase to $3.10 per hour is scheduled to go into effect. The same inflationary results will take place.

This minimum wage increase will have a severe impact on many groups in our society. Not only is there expected to be another inflationary effect, but the sharp increase in labor costs for positions paying the minimum wage will cause the elimination of thousands of jobs. Many small businesses will be forced to close, rather than pay the increase in the minimum wage.

In light of the above analysis, and because of my deep concern over our No. 1 economic problem—inflation—I am joining Representative DOUGLAS BARNARD, JR., today, in introducing legislation to postpone the scheduled 1980 increase in the minimum wage for 2 years.

This is not a heartless proposal. Inflation is the cruelest tax of all. And the prospect of unemployment for thousands of marginal workers makes the scheduled increase in the wage minimum a very questionable policy action.

This bill will not merely defer the inflationary impact of the next hike. It will give Congress the opportunity to study in depth the entire concept of minimum wages and their automatic increase.

STRUCTURAL UNEMPLOYMENT

There is one economic problem that is most devastating to society. That problem is structural unemployment—that is, unemployment essentially caused by low skills; skills so few and so minimal that the person literally faces a life of unemployment, or at best part-time employment.

It is because of the present desperate situation and inevitable and hopeless future, that the structurally unemployed present this country with a severe test.

To meet this test, I am introducing a bill that will deal squarely with structural unemployment. This bill puts to use our most potent weapon in fighting this or any economic problem—the private sector.

By the private sector I do not mean just business, but the entire private sector—labor, business, schools, religious organizations, citizen groups, and other members of the local community. Under this bill, these aspects of the private sector will combine the work together to match the structurally unemployed with available jobs. This community combination has proved highly successful in many localities across the country for the opportunities industrialization centers, the Committee for Economic Development, and other organizations that deal directly with structural unemployment.

The bill provides a wage subsidy paid to employers for training and employment. States would approve acceptable

employer programs and petition the Secretary of Labor for the subsidy money. The subsidy, which begins at 50 percent of the wage, is decreased at 6 month intervals until it ends after 2 years of employment.

I stress that this subsidy would only be paid if training is provided. Training is the key to the solution. If structural unemployment is defined as being caused by low skills, then any bill that does not stress training is a waste of time and money. This bill will establish training as a requirement in order to provide the structurally unemployed with what they need most.

The bill also establishes a priority system for granting these subsidies to private employers; assuring the subsidies will go to the areas where they are most needed and will be most successful.

The first priority established by this bill is the targeting of subsidies to areas of high unemployment. It is an unfortunate fact of our economy that structural unemployment is most severe in the most desperate of economic situations, where the structurally unemployed not only lack skills, but face a job market so depressed that they have only a small chance of receiving employment or training. They have lost man's most important defense—hope.

The second priority is for small business. The Joint Economic Committee has heard time and time again over the years that the most hopeful solution to this structural unemployment problem is small business. The reasons are simple. Every community has a great number of small businesses whose condition and needs are most known to the rest of the community. These are the employers that are most responsive to wage subsidies. If only one-third of the 10 million small businesses in the United States would hire just 1 new employee each, we would more than solve our overall unemployment problem.

As I said earlier, the concept of community is very important to solving the problem of structural unemployment. The biggest problem in any training and employment program is the location of jobs and job retention. Local, private organizations that draw together various aspects of the community to solve the problem of structural unemployment have shown a far greater success in placing people in permanent jobs than any Federal Government training program.

Accordingly, this bill offers its final priority to those employers who use these community organizations in finding employees. This priority guarantees that the hired worker will be carefully matched to the specific job. And just as important, these organizations will provide the support services after employment which are so critical to the newly hired, low-skill employee. The use of these organizations—called intermediate organizations—separate this bill from other employment and training bills. Judging from the unmatched success of intermediate organizations, it makes this a superior bill.

This bill has an important provision that guarantees that the subsidies will help those who need it the most.

This provision addresses the question of who is eligible for the subsidy. In other words, who is structurally employed? This bill uses a simple but reliable definition for structural unemployment that prevents the loss of time and effort just trying to figure out who can be hired under the subsidy.

Eligibility is defined as being out of work for at least 5 weeks and exhausting or being monetarily ineligible to receive unemployment compensation. Thus, the bill identifies workers who have been out of work for a long time and workers who have such low skills that their spotty pattern of employment provides them with only a short time period of unemployment compensation. This simple definition would include youths who have never held a job and, therefore, are not eligible for unemployment compensation. Likewise eligible would be the growing number of women who, by personal choice or economic hardship, have returned to the labor market after an absence of many years and with low marketable skills.

Highly skilled workers would not be eligible under this definition unless they faced dire economic circumstances. The reason is that highly trained workers who lose their job would receive unemployment compensation for a long period of time. Only if the highly trained worker was unemployed until unemployment compensation ran out would that person be eligible for subsidized employment.

Another important feature of this bill which improves efficiency is a minimum paperwork provision. This provision provides that no State will receive any Federal money for job subsidization until that State has assured the Secretary of Labor that its modus operandi requires a minimum of paperwork on the part of the employer. This unique feature ingrains administrative efficiency in the program at its inception. This is far different than other bills that start a program and then find out it is impossible to administer.

In conclusion, we must solve this problem of structural unemployment because our slumping economy needs the input of these workers.

But, most crucially, we must solve this problem to help millions of people who find their lives robbed of security, opportunity, and, most of all, hope.

INTRODUCTION OF RESOLUTION REQUIRING FEDERAL GOVERNMENT TO OPERATE UNDER A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARCHER) is recognized for 10 minutes.

Mr. ARCHER. Mr. Speaker, in each Congress in which I have served, I have sponsored a proposed constitutional amendment which would—except in times of declared national emergency—require the Federal Government to operate under a balanced budget.

On this, the opening day of the 96th Congress, I am again submitting this proposal.

I also want to urge my colleagues, a number of whom I am sure will be introducing similar proposals of their own, to join me in calling for immediate Judiciary Committee hearings on the overall subject. One hundred and forty-two Congressmen joined me in making a similar request last summer, and I am optimistic that still more will do so now.

Today I also take pride in acting on behalf of the people of my home State of Texas in formally submitting to the House of Representatives resolutions passed by the Texas Legislature, on June 16, 1977, and August 4, 1978, calling on the Congress to convene a constitutional convention in order to adopt an amendment requiring a balanced Federal budget. I respectfully request that these petitions be referred to the House Judiciary Committee for appropriate consideration.

We in Texas are firmly committed to fiscal responsibility in the management of our State government's tax dollars and have placed a firm constitutional requirement on our own State spending. We believe very strongly that the Federal Government must operate under similar constraints in an effort to bring inflation under control.

THE DIPLOMATIC RECOGNITION OF THE PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. DERWINSKI) is recognized for 10 minutes.

● Mr. DERWINSKI. Mr. Speaker, the most controversial foreign policy development in the last 3 months has been the decision of the Carter administration to recognize the People's Republic of China (PRC) entirely on their terms. I believe that time will demonstrate that this step was badly handled, ill-timed, and as a result will prove counterproductive for the United States. I wish to raise a few points with regard to this agreement that I feel are pertinent.

Last month when we were not in session, the President announced that the United States and the People's Republic of China had arranged for the exchange of diplomatic representatives. He had agreed to three demands on the part of the Chinese: The severance of diplomatic relations with the Republic of China on Taiwan, unilateral termination of our mutual defense treaty, and the withdrawal of U.S. troops from Taiwan. In return, the United States would be permitted to delay the termination of the defense treaty for a year (required, in fact, by the terms of the treaty).

I have expressed my hope in the past that the United States and the PRC would be able to develop eventually a relationship of mutual benefit. Normalization of diplomatic relations, I said, "would help bolster the hopes for peace throughout the world." I believe the United States should continue to insist upon the right of the Taiwan Chinese to continue to exist as a free and independent nation, without fear of attack from the mainland. This normalization of relations with China does not assure the security of Taiwan. We have only "the confident judgement" of the administration, as quoted by the press, that Peking

will not attempt to enforce its claim on Taiwan by force.

The impetuosity of the agreement overtook the planning process for carrying out both the new agreement itself and our old agreements with Taiwan. Its curious timing prevented—or avoided—consultation with the Congress which will have to help in facilitating those very agreements.

However, the administration's action cannot be undone. We have been presented with a new "simple reality," to use the President's phrase. It is our responsibility now to devise and to take the steps that will assure the peace and prosperity of our Chinese friends on Taiwan, promote our own interests, and hopefully enhance the prospects for all Asia.

The President, announcing the new relationship with mainland China, spoke of our continuing ties with Taiwan. "Congress," he said, "will be asked to play a key role in maintaining U.S. programs and relations with Taiwan." Let us now begin to play the role that the President asks of us.

It is in our own interest to protect the $4.5 billion of U.S. investments on the island of Taiwan. We must assure also that Taiwan keeps representation in international organizations and that it not suffer sanctions because of its new status. The value of our trade with Taiwan in 1977 was $7.4 billion (our trade the same year with the U.S.S.R., incidentally, after 45 years of recognition, was about $2 billion). For a long time to come we will benefit far, far more from our economic relations with Taiwan than with the PRC.

Taiwan is a little country that has made itself the world's 22d largest trading nation and the 12th largest trading partner of the United States. This trade is providing substantial employment to American workers. The United States must not lose these trade advantages by the administration's handling of our commercial relations with Taiwan.

There are other "simple realities" to consider as well in our relations with China and Taiwan. Our economy is in no condition today to give up its flourishing trade with Taiwan nor is it in any condition to finance an inefficient Communist economy on the mainland with long-term cheap credits. Let us continue to strengthen our economic and cultural ties with the Chinese on Taiwan as the President has asked.

It is obvious that the mainland Chinese need us more than we need them. The PRC is a backward peasant nation led by a mercurial leadership, and it is beset by internal disorder. It desperately needs foreign trade and technology to develop into a modern nation. If the PRC wants to trade, by all means let us trade. We must remember, however, that China lacks foreign exchange. It will be hard put to pay for what it buys. We will have to take a lot of their cheap consumer goods—textiles, for example—for a long time to pay for our machinery. Long-term credits to China will be inflationary for us—and risky.

We now recognize the PRC. That cannot be changed. But if I had a few dollars to spend, I would invest them in Taiwan; I would not bet on the economic future of mainland China.

In addition, Mr. Speaker, I believe it is accurate to say that most editorial commentary and objective reporting from reputable journalists tends to be critical of the way in which the administration has handled the China issue. One of the more interesting commentaries on this issue was by Chicago Turbine's Mike Lavelle in his column of January 9th, which I wish to insert in conclusion to my remarks:

[From the Chicago Tribune, Jan. 9, 1979]

BLUE-COLLAR VIEWS—CHINA IS A THREAT TO U.S. LABOR

(By Mike Lavelle)

Among all the stories in our newspapers and news magazines dealing with our recognition of Red China was one that quoted a banker as saying that one advantage that American businessmen would have with the potential labor force in Red China was that the population could be "shifted around" to meet the labor requirements of American industries setting up shop there. Not exactly a liberal view.

The picture of someone drooling over Red Chinese coolies is to me mostly associated with dippy movie actresses and warped college kids, not conservative businessmen. But a buck is a buck—and God bless coolie labor.

The current enchantment with communist China is not shared by one segment of the American population. Jacob Sheinkman, the secretary-treasurer of the Amalgamated Clothing and Textile Workers Union of America, testified last year before the International Trade Commission in Washington. He said, "Chinese workers earning as little as $35 a month, and apprentices earning as little as $8.50 a month, were making it possible for China to export cotton work gloves to the United States at prices that undermine the domestic industry. That aggressive and calculated entry into the American cotton glove market has made China the second biggest supplier on the American market. It has caused an erosion of American jobs by taking away 20 percent of the American market."

There is a part of Sheinkman's testimony that ought to horrify all but the dullest and dumbest minds:

"Workers in China are assigned as families, and, as so many pieces of equipment. They have no means of improving their conditions of work or rates of pay, since collective bargaining or strikes are considered traitorous acts against the state."

The situation is going to get worse for the Chinese workers as their commissars push them to produce for the American market, and for the profits of their new capitalist buddies. It will also get worse for American workers as they lose their jobs to cheap, oppressed coolie labor.

Sheinkman also pointed out in his testimony that the concept of paid overtime is alien to a system wherein "the worker is required to work long hours without additional pay on the basis that such work is a patriotic duty to the state. Production under such a system amounts to output by indentured labor."

Arthur Gundersheim, the clothing and textile workers' union specialist on imports and exports, commented that "the consumer market in Red China does not exist to the extent that American businessmen think it does. For one thing, the people are too poor. They will simply take our machinery and pay us back with textile goods!"

One has to assume that as soon as the commissars can train the docile coolie masses how to make transistor radios, the Red Chinese will swallow up whatever American market the Japanese have not taken.

Give it a few more years and you will soon see American workers marching in the streets to protest against coolie labor taking their jobs away. It ought not to be an anti-Chinese demonstration but rather anti-coolie-labor.

The irony is that the first American ambassador to Red China is likely to be Leonard Woodcock, the former head of the United Auto Workers. If only Woodcock would treat the Communist China leadership as though it were a branch of General Motors on the other side of the negotiating table.

No, I'm not cheering. I do not care for coolie labor nor do I care to see unemployed American workers.

In all the stories that I have read, the labor aspect seems to be ignored. Maybe some people see nothing wrong with coolie labor, as long as it has a Marxist tone to it.●

EMERGENCY FOOD AND FIBER SUPPLY STABILIZATION ACT OF 1979

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

● Mr. HIGHTOWER. Mr. Speaker, I have introduced today what I consider is the most vital piece of legislation to be considered this year. The bill, titled the "Emergency Food and Fiber Supply Stabilization Act of 1979," is similar to legislation I introduced and worked for last year. It was defeated last year and as a result many farmers had to sell out and go to town to find jobs to support their families. Often they had to leave the small rural communities and find work in the larger cities like Amarillo, Wichita Falls, Dallas, and Houston.

This means more pressure on the urban job markets, loss of income for our rural areas, more farmland in the hands of corporate and foreign investors.

Farm prices are up some. Not enough to save a great number of producers that are now on the brink of bankruptcy. The increased prices do not help my cotton farmers and wheat farmers that have no produce to sell. And still, we have done nothing to prevent the roller coaster from taking off again for prices and supplies. The extreme gyrations we have seen over the past 5 years are hard on consumer and producer alike.

Today our granaries are full. The 3-year reserve program the administration implemented last year has held the price above the disastrous levels of 1977. If we do not begin to adjust the supplies the Federal Government is going to be back in the grain business after 1981 the way it was in the late fifties and early sixties.

The bill I have introduced today will provide that stability. You are all familiar with the concept we debated on the floor of this House last spring. If a farmer wants to be guaranteed a certain price for what that farmer produces, a certain amount of the cropland must be held out of production.

If the producer wants or needs parity, an equal price for his product compared to the price of other goods and services, the land held out of production must be equal to 50 percent of normal or intended production.

There will be the cry, "the taxpayer cannot afford parity." The farmer can no longer afford anything less. The beauty of this legislation is, it will cost the tax-

payer no more than current programs. The higher the target price, the less the farmer produces. The less produced, the higher the market price. The higher the market price, the less budget exposure for the tax dollar.

Another point in favor of this legislation is our trade balance. We all know the beating we are taking in this country on the dollar value of imports versus exports. If we would sell our poducts at the true value instead of prices depressed by programs designed to keep farm prices low, we could be pulling ourselves out of the deficit problem. If we were selling our wheat for $4.50 a bushel instead of $3.50 a bushel, the dollar flow would be far greater than it is now.

It does this country and our farmers no good to export for less than it costs us to produce that commodity. My farmers can no longer afford to carry this load.

Many of my farmers will be back this year to plead their case with those of you here today. Many are not back because they have sold their farms. If we do not come to the aid of the American farmer, we will do them and this country a tragic disservice.●

ACTION FOR ALASKAN FEDERAL LANDS: A PARTNERSHIP OF CONGRESSIONAL AND PRESIDENTIAL ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I am delighted to join MO UDALL, JOHN SEIBERLING, and many of our colleagues as an original cosponsor of H.R. 39. It is a tragedy this strong conservation bill, in the form approved so overwhelmingly by the House, did not reach the President's desk in 1978.

I am particularly glad to join in support of this new, updated version of H.R. 39, because it has been refined in several key points. As Members of the House will recall, we were unable to consider a number of important strengthening amendments during the final hours of debate on the House floor last May. I am certain that those amendments would have been adopted, had the time on a Friday afternoon not simply run out on us.

Much of the revision which has occurred in this bill is a result of adjustments made to incorporate the national monuments which President Carter established in his historic Alaska conservation decision of December 1. Faced with congressional inaction—or I should say, Senate inaction—and an impending termination of critical interim protection of these lands, the President used powers the Congress had given him for exactly such a purpose to designate a number of the House-passed national park system and other units as "national monuments."

In our new H.R. 39, each of those national monuments is incorporated and legislatively confirmed, as well as being retitled. With only the most minor exceptions, the bill makes no boundary changes over the carefully drawn boundaries which the President proclaimed—and he, of course, used lines substantially the same as the boundaries the House approved last May.

As we proceed with this legislation, I only hope that every Member of Congress will reflect upon the fact that our three branches of government have cooperated beautifully in meeting the challenge of protecting the national interest lands in Alaska .The President made proposals, responding to direction the Congress gave him in the 1971 Native Claims Settlement Act. The House then reviewed and revised those proposals, and overwhelmingly adopted H.R. 39, a strong and balanced conservation measure of which we all were very proud. Because the Senate failed to act, the expiration of the congressionally set deadline approached in mid-December and would have led to severe difficulties had interim protection for the lands terminated. At the request of many Members of the Congress, the President then utilized authorities the Congress had given to him for just such purposes to proclaim these national monuments, protecting lands this House had already made it very clear it wanted protected. Similarly, the Secretaries of the Interior and Agriculture took additional steps, also using withdrawal authorities given to them for exactly this kind of situation, to protect the balance of the lands under consideration in the Congress—and thus to protect congressional prerogatives.

President Carter's December 1 decisions are of momentous importance and will rank him as one of our greatest conservation Presidents, just as our votes for H.R. 39 last May have lasting historic significance.

For the information of my colleagues, I think it is important that we have the basic documents of the President's December 1 actions. Therefore, I ask unanimous consent to include in the RECORD at this point the text of the President's statement, a related White House fact sheet, and the texts of the specific proclamations creating the new national monuments in Alaska. I also include in the RECORD, a recent Department of the Interior statement announcing temporary regulations or the management of these lands. These, I want to emphasize, are regulations which track well with the management direction we adopted in the House-passed bill.

It is high time to complete action on this historic conservation legislation. I commend MO UDALL and JOHN SEIBERLING, who are two of the giants in the history of conservation in the House, and I join them in urging prompt action to approve this strong Alaska Federal lands protection bill:

THE WHITE HOUSE FACT SHEET

Today the President took several actions to protect proposed National Parks, Wildlife Refuges and Wilderness Areas in Alaska. He urged Congress to act promptly next year to pass Alaska lands legislation and announced administrative actions designed to protect these areas and to preserve the Congress' options for action next year.

The President's actions include the designation of 17 National Monuments covering approximately 56 million acres and additional protections on the remaining proposed National Wildlife Refuges and proposed National Forest Wilderness areas.

BACKGROUND

Under the Alaska Native Claims Settlement Act of 1971, Section 17(d)2 authorized the Secretary of the Interior to withdraw from development 80 million acres for consideration by the Congress as additions to the National Park, Wildlife Refuge, Wild and Scenic River and National Forest systems. Such "d-2" withdrawals were made on December 17, 1973, leaving the Congress until December 17, 1978, to act, under the five-year limitation on the "d-2" withdrawal authority.

The Carter Administration came forward with detailed legislative proposals in early 1977. These proposals included 13 National Parks, 14 National Wildlife Refuges, and 7 National Forest Wilderness Areas. The 95th Congress made a great deal of progress toward passing a comprehensive Alaska lands bill. The House passed the Alaska legislation on May 19, 1978, by a vote of 277-31. The Senate Energy and Natural Resources Committee reported out a bill, but lack of time and a threatened filibuster prevented final passage.

Since adjournment of the Congress, 146 members of the House and Senate have asked the President to take action to protect the lands so that mineral entry, State land selections and other threats do not jeopardize the integrity of these important areas.

AREAS AFFECTED

The President has signed proclamations designating 17 National Monuments under the 1906 Antiquities Act. These areas include parts of all 13 of the proposed National Parks, 2 of the 14 proposed National Wildlife Refuges, and 2 of the 7 proposed National Forest Wilderness areas. They include approximately 56 million acres of land. These areas are designated in order to preserve their extraordinary scientific, historic and cultural values. They also contain some of the world's most beautiful scenery and plentiful wildlife. These designations will be permanent until modified or superseded by Congressional action.

NATIONAL MONUMENTS PROCLAIMED BY THE PRESIDENT

	Acres
1. Aniakchak	350,000
2. Bering Land Bridge	2,600,000
3. Cape Krusenstern	560,000
4. Denali	3,890,000
5. Gates of Arctic	8,220,000
6. Glacier Bay	550,000
7. Katmai	1,370,000
8. Kenai Fjords	570,000
9. Kobuk Valley	1,710,000
10. Lake Clark	2,500,000
11. Noatak	5,800,000
12. Wrangell-St. Elias	10,950,000
13. Yukon-Charley	1,720,000
Total	40,790,000
14. Yukon Flats	10,600,000
15. Becharof	1,200,000
Total	11,800,000
16. Admiralty Island	1,100,000
17. Misty Fiords	2,285,000
Total	3,385,000
Total acreage	55,975,000

(Note: Areas #1-13 are proposed National Park areas, #14-15 proposed Wildlife Refuge areas, and #16-17 are proposed National Forest Wilderness Areas.)

The President also directed the Secretary of the Interior to take the necessary procedural steps under the Federal Land Policy and Management Act to designate as National Wildlife Refuges the remaining 12 proposed refuge areas. These areas cover approximately 40 million acres. The 12 areas included in this directive are:

	Acres
1. Arctic Range	9,900,000
2. Copper River	690,000
3. Innoko	3,720,000
4. Kanuti	1,480,000
5. Kenai Moose Range	160,000
6. Koyukuk	2,080,000
7. Nowitna	1,560,000
8. Selawik	3,220,000
9. Tetlin	770,000
10. Togiak	1,180,000
11. Yukon Delta	13,710,000
12. Alaska Marine Resources	460,000
Total acreage	38,930,000

The President also noted that Secretaries Andrus and Bergland have already taken temporary steps to protect all of the areas in Congressional and Administration proposed conservation units. Under Section 204(e) of the Federal Land Policy and Management Act, Secretary Andrus issued emergency withdrawals on November 16 on all of the Interior Department lands covered by Congressional or Administration proposals to protect them from mineral entry and State selection. These three-year withdrawals cover approximately 105 million acres and will remain in force with the President's actions under the Antiquities Act. Secretary Bergland has also taken steps under Section 204(b) of the Federal Land Policy and Management Act to segregate the 11 million acres covered by Administration and Congressional proposals for National Forest Wilderness areas to protect these lands from mineral entry and State selection. These two-year segregations also remain in force with the President's actions.

STATEMENT BY THE PRESIDENT

Our nation has been uniquely blessed with a vast land of great natural beauty and abundant resources. Once these gifts seemed limitless. As our people have spread across the continent and the needs for development reach once distant frontiers, we realize how urgent it is to preserve our heritage for future generations.

Today I have taken several actions to protect Alaska's extraordinary Federal lands. Because of the risks of immediate damage to these magnificent areas, I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year.

Passing legislation to designate National Parks, Wildlife Refuges, Wilderness Areas and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. There is strong support for such legislation in the Congress. In the 95th Congress, the House of Representatives overwhelmingly passed an Alaska bill. A bill was reported out of the Senate Committee, but time ran out and the Senate was unable to finally pass a bill. Because existing "d-2" land withdrawals under the 1971 Alaska Native Claims Settlement Act expire on December 17, much of the land to be protected by legislation would be unprotected and perhaps irrevocably lost if I did not act now.

Accordingly, along with Secretaries Andrus and Bergland, I have taken the following actions:

I have signed proclamations under the Antiquities Act of 1906 designating as National Monuments 17 of the most critical areas proposed for legislative designation—13 proposed National Parks, two proposed Wildlife Refugees and two proposed National Forest Wilderness areas.

These areas, totaling approximately 56 million acres, contain resources of unequalled scientific, historic and cultural value, and include some of the most spectacular scenery and wildlife in the world. The Antiquities Act has been used in the past to preserve such treasures, for example by President Teddy Roosevelt who designated the Grand Canyon in this way. The monuments I have created in Alaska are worthy of the special, permanent protections provided by the Antiquities Act. They will remain permanent Monuments until the Congress makes other provisions for the land.

I have directed Secretary Andrus to proceed with necessary steps to designate National Wildlife Refuges for the remaining twelve proposed refuge areas, an additional 40 million acres.

Secretaries Andrus and Bergland have already taken steps under Section 204 of the Federal Land Policy and Management Act to withdraw or segregate all of the areas covered by either Congressional or Administration proposals from mineral entry and selection by the State of Alaska. I have directed that these withdrawals remain in place.

Each of the areas protected by these actions is exceptional and valuable. Among the treasures to be preserved are the nation's largest pristine river valley, the place where man may first have come into the New World, a glacier as large as the State of Rhode Island and the largest group of peaks over 15,000 feet in North America. Breeding areas of the Great Alaska brown bear, caribou and Dall sheep, and of ducks, geese and swans that migrate through the other 49 States each year will also be protected.

In addition to preserving these natural wonders, historical sites and wildlife habitats, our actions will ensure that Alaskan Eskimos, Indians and Aleuts can continue their traditional way of life, including hunting and fishing.

In Alaska we have a unique opportunity to balance the development of our vital resources required for continued economic growth with protection of our natural environment. We have the imagination and the will as a people to both develop our last great natural frontier and also preserve its priceless beauty for our children and grandchildren.

The actions I have taken today provide for urgently-needed permanent protections. However, they are taken in the hope that the 96th Congress will act promptly to pass Alaska lands legislation.

PRESIDENTIAL DOCUMENTS—TITLE 3—PRESIDENT

[Proclamation 4611, Admiralty Island National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Admiralty Island is outstanding for its superlative combination of scientific and historic objects. Admiralty Island contains unique resources of scientific interest which need protection to assure continued opportunities for study.

Admiralty Island has been continuously inhabited by Tlingit Indians for approximately 10,000 years. Archeological sites and objects are plentiful in the areas of Angoon Chaik, Bay, Whitewater Bay and other bays and inlets on the island. These resources provide historical documentation of continuing value for study. The continued presence of these natives on the island add to the scientific and historical value of the area.

The cultural history of the Tlingit Indians is rich in ceremony and creative arts and complex in its social, legal and political systems. Admiralty provides a unique combination of archeological and historical resources in a relatively unspoiled natural ecosystem that enhances their value for scientific study.

Subsequent to exploration and mapping by Captain George Vancouver at the end of the 18th century, Russian fur traders, Yankee whalers, and miners and prospectors have left objects and sites on Admiralty which provide valuable historical documentation of white settlement and exploitation of the island and its resources. Admiralty Island is rich in historic structures and sites, including whaling stations, canneries, old mining structures and old village sites, for example, Killisnoo Village where a whaling and herring saltery station were established in 1880.

Unusual aspects of the island ecology include its exceptional distribution of animal species, including dense populations of brown bears and eagles, but excluding entirely—because of the island's separation from the mainland—a large number of species indigenous to the general area. This peculiar distribution enhances the island's value for scientific study.

The unique island ecology includes the highest known density of nesting bald eagles (more than are found in all the other States combined); large numbers of Alaska brown bear; and the largest unspoiled coastal island ecosystem in North America. Admiralty Island was added to the Tongass National Forest in 1909, and specific portions of the island have been designated as bear and eagle management areas and numerous scientific studies of the bear and eagle habitat have been conducted by scientists from around the world. The island is an outdoor living laboratory for the study of the bald eagle and Alaska brown bear.

Protection of the entire island, exclusive of the Mansfield Peninsula, is necessary to preserve intact the unique scientific and historic objects and sites located there. Designation of a smaller area would not serve the scientific purpose of preserving intact this unique coastal island ecosystem.

Hunting and fishing shall continue to be regulated, permitted and controlled in accord with the statutory authorities applicable to the Monument area.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the government of the United States to be National Monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by section 2 of the Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Admiralty Island National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area described on the document entitled "Admiralty Island National Monument (Copper River, Meridian)", attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,100,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the Monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this Monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public lands laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this Monument and for the proper administration of the Monument in accordance with applicable laws.

The establishment of this Monument is subject to valid existing rights, including, but not limited to, valid selections under the

Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the National Monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this Monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4612, Aniakchak National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Aniakchak Caldera is located in the heart of the Alaska Peninsula. It is so unexpected a feature that it remained unknown to all but the Natives of the region until about 1920. With its average diameter of approximately six miles, Aniakchak is one of the world's largest calderas.

In the interior of the caldera are textbook examples of certain volcanic features such as lava flows, cinder cones, and explosion pits. Also lying within the caldera is Surprise Lake which is fed by warm springs and is uniquely charged with chemicals. Surprise Lake is the source of the Aniakchak River, which cascades through a 1,500 foot gash in the caldera wall and downward for 27 miles to the Pacific Ocean.

The flanks of the caldera provide a geological and biological continuum by which to make a comparative study of the formation of the caldera and the significant process of biological succession of both plant and animal species occurring in the vicinity of the caldera, an area that was rendered virtually devoid of life forms by a major eruption of the volcano in 1931.

The caldera is also climatologically unique in that, because of its topography and setting, it appears to be able to generate its own weather. A striking phenomenon known as cloud "niagaras" occurs frequently as strong downdrafts form over the caldera walls.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological, climatological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible wtih the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Aniakchak National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Aniakchak National Monument on the map numbered ANIA–90,006 attached to and forming a part of this Proclamation. The area reserved consists of approximately 350,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, rights confirmed in Section 15 of the Act of January 2, 1976 (89 Stat. 1145), and valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4613, Becharof National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES: A PROCLAMATION

This monument on the Alaska Peninsula supports one of the densest known populations of the great Alaska brown bear. This area encompasses habitat used by a discrete population of bears for denning and foraging, both north and south of Becharof Lake.

At the southern end of Becharof Lake, several hundred bears concentrate during salmon spawning season. Certain of the bears make their dens in the area on islands a few feet above the water level, a unique phenomenon of great interest in the study of this great carnivore. Deeply worn bear trails also indicate decades of extensive use, making this area important to the study of the bears' long term habits and population fluctuation. Rich salmon spawning habitats and the presence of such prey species as caribou and moose are key factors in the intensive use of the area by the bears.

The biology of the brown bears, their habitat and associated plant and animal species within the monument, together with other ecological features of the area, combine to offer excellent opportunities for scientific study and research.

The area is interesting and significant geologically, as it contains one of Alaska's most recent volcanically active areas, the Gas Rocks under Mount Peulik. Studies here of recent volcanism may contribute to the growing understanding of this powerful geological force.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Becharof National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Becharof National Monument on the map numbered FWS–81–00–0414 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,200,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and with-

drawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any public land order effecting a withdrawal under Section 17(d)(I) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1616(d)(1); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of sport hunting, and of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population or to sport hunting of a particular fish or wildlife population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4614, Bering Land Bridge National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES: A PROCLAMATION

The Bering Land Bridge, now overlain by the Chukchi Sea, the Bering Sea and Bering Strait, was the migration route by which many plants, animals, and humans arrived on the North American continent. The monument hereby created has within it an invaluable record of this migration.

There are found here rich archeological sites giving evidence of human migration during the periods the Bridge was water-free. Also found are paleontological sites providing abundant evidence of the migration of plants and animals onto the continent in the ages before the human migrations. The arctic conditions here are favorable to the preservation of this paleontological record from minute pollen grains and insects to the large mammals such as the mammoth.

The monument is also the summering area for a number of Old World bird species, which feed and nest in the area. It is one of the few places in North America where ornithologists are able to study these species.

The diversity of the soils, topography, permafrost action and climate within the monument leads to an excellent representation of varied, yet interrelated tundra plant communities. Their proximity and diversity make the area a prime outdoor laboratory.

The area is also rich in volcanics. Here is the opportunity to study unique Arctic lava flows which erupted through deep permafrost. The tubes and cracks of these flows are now filled with the sheen of permanent ice. In the Devil Mountain area are the uniquely paired maar explosion craters which were formed by violent explosions resulting from the steam pressure released when the hot volcanic ejecta contacted the water and ice that covered this wetland area. These craters are now crystal clear lakes bounded by a shoreline of volcanic ash, cinders and scoria.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, paleontological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Bering Land Bridge National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Bering Land Bridge National Monument on the map numbered BELA-90,006 attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,590,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton* Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4615, Cape Krusenstern National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The area of northwest Alaska known as Cape Krusenstern contains an archeological record of great significance. The Cape's bluffs and its series of one hundred fourteen horizontal beach ridges hold an archeological record of every major cultural period associated with habitation of the Alaska coastline in the last 5000 years.

The unglaciated lands lying inland, including the Kakagrak Hills, the Rabbit Creek area and others, have an older archeological record dating back to pre-Eskimo periods of at least 8000 years ago. This continuum of evidence is of great historic and scientific importance in the study of human survival and cultural evolution.

There are in this area examples of other unique natural processes. The climatological conditions are conducive to the formation of Naleds, one spectacular example of which occurs in the area. In the same inland area at Kilikmak Creek is found the only known Alaskan example of a still recognizable Illinoisian glacial esker, a formation which is over 100,000 years old.

The unique geologic process of erosion and sediment transport in this area created and continues to create the beach ridges in which is preserved the archeological record of the beach civilizations. Also found in the area is a wide variety of plant and animal species, from the marine life along the shoreline and its lagoons to the inland populations such as musk-oxen, Dall sheep, caribou and many smaller species.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a

value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Cape Krusenstern National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Cape Krusenstern National Monument on the map numbered CAKR–90,008 attached to and forming a part of this Proclamation. The area reserved consists of approximately 560,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4616, Denali National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

In the creation of Mount McKinley National Park the southern half of the mountain's massif was inadvertently excluded from the Park. The creation of Denali National Monument will bring within the protection of the National Park System the entirety of this, the highest peak on the North American continent. This face markedly differs from the north side for it has a more gradual rise and a significant system of glaciers. It is also the approach route used historically by those seeking to scale Mount McKinley.

Certain of the glaciers on the south face are among the largest in Alaska, reaching up to 45 miles in length. Yet, only the very uppermost parts are presently within the National Park. Their protection is enhanced by the creation of this monument.

In the southwest area of the monument hereby created are the geologically unique Cathedral Spires. From this granitic pluton mass radiate eight major glacial troughs exhibiting cirques and headwalls rising 5,000 feet from their bases.

The monument also protects significant habitat for the McKinley caribou herd which has provided a basis for scientific study since the early twentieth century. Associated with the herd in this ecosystem are other scientifically important mammals such as grizzly bear, wolf and wolverine.

The Toklat River region includes a unique area of warm springs which attracts an unusual late run of Chum salmon. This run provides an important late fall food source for the grizzly bear population of the area which, because of its accessibility, has been the subject of many scientific studies.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Denali National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Denali National Monument on the map numbered DENA–90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 3,890,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, Dec. 5, 1978]

[Proclamation 4617, Gates of the Arctic National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Lying wholly north of the Arctic Circle, the Gates of the Arctic National Monument hereby created preserves an area containing a wide variety of interior arctic geological and biological forms. The essence of the geology of the area is its great diversity. There are excellent examples of glacial action which formed U-shaped valleys and morraine-dammed lakes. In contrast are the fissure-shaped precipices of Ernie Creek and the tilted limestone blocks along the northern edge of the Brooks Range.

Associated with these various land forms is a progression of ecosystems representing a continuum of communities from the boreal spruce forest and riparian shrub thickets in

the south to the arctic tussock tundra in the north. These communities of plants and undisturbed animals offer excellent opportunities for study of natural interaction of the species.

The monument also protects a substantial portion of the habitat requirements for the Western Arctic caribou herd which uses ancient routes through the mountains for migration. This herd, which has suffered severe population losses recently, is of great value for the study of the population dynamics relating to both the decline and recovery of the herd.

The archeological and historical significance of the area is demonstrated by the studies which have revealed evidence of human habitation for approximately 7,000 years. Several known traditional Indian-Eskimo trade routes run through the monument area giving the promise of further important archeological discoveries. In the Wiseman and Ernie's Cabin mining regions in the south are offered opportunities for historical study of the life of the Alaskan pioneer miner of the early twentieth century.

The land withdrawn and reserved by this Proclamation for the protection of the biological, geological, archeological, historical, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends upon subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Gates of the Arctic National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Gates of the Arctic National Monument on the map numbered GAAR–90,011 attached to and forming a part of this Proclamation. The area reserved consists of approximately 8,220,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[PROCLAMATION 4618 ENLARGING THE GLACIER BAY NATIONAL MONUMENT, DECEMBER 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Glacier Bay National Monument was created by Presidential Proclamation in 1925 and was enlarged in 1939 and again in 1955. It protects the great tidewater glaciers and a dramatic range of plant communities. The enlargement accomplished by this Proclamation furthers the protection of the array of geological and ecological interests in the area.

This addition includes the northwesterly side of Mount Fairweather, the highest peak in this part of Alaska, and the Grand Plateau Glacier, both significant to students of glaciology.

The Alsek River corridor provides the only pass through the coastal mountain range for 120 miles. This is the route by which large mammals first entered this isolated area and is used by a significant percentage of the Alaska bald eagle population en route to the Klukwan area where they winter.

The addition also protects two botanically significant areas. In the hills flanking Grand Plateau Glacier live the oldest plant communities in southeast Alaska which survive because the area escaped both glaciation and inundation. Also important to the study of ecological succession are the mature aquatic vegetative communities of the pre-neoglacial lakes in the Deception Hills area.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological, and other phenomena enumerated above supports now, as it has in the past, a unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the area added to the Glacier Bay National Monument by this Proclamation.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved for inclusion in the Glacier Bay National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Enlargement of Glacier Bay National Monument on the map numbered GLBA–90,005 attached to and forming a part of this Proclamation. The area reserved consists of approximately 550,000 acres, and is necessary to ensure the proper care and management of the objects the monument was established to preserve and those added by this Proclamation. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this addition are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this addition is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*) and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamtion shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act, (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Furthermore, nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement, of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this addition, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthor-

ized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4619, Enlarging the Katmai National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

In 1912, Mount Katmai gave vent to an extremely violent volcanic eruption. To preserve this excellent example of recent volcanism and ash deposition, Katmai National Monument was established in 1918. In the ensuing years it was recognized that in addition to the volcanoes, the area included a significant population of Alaskan brown bear and important spawning grounds for the Bristol Bay red salmon. The area was enlarged in view of these features in 1931, 1942 and 1969.

Continued research has revealed that the bear population is more mobile than originally believed. By the addition made hereby, a viable gene-pool population of the Alaskan brown bear can be protected free from human harassment. The addition closes a fifteen mile gap between the former monument boundary and the McNeil River State Game Sanctuary thereby completing the protection of the range of this population of the world's largest carnivore.

The enlargement also protects the headwaters of the drainages which provide the spawning grounds for the red salmon. By protecting the quality of the water in these watersheds, the drama of the salmon run, a phenomenon of great scientific interest over the years, may be perpetuated.

The land withdrawn and reserved by this Proclamation for the protection of the biologic and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein, because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the area added to Katmai National Monument by this Proclamation.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national manuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 341), do proclaim that there are hereby set apart and reserved for inclusion in the Katmai National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Enlargement of Katmai National Monument on the map numbered KATM-90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,370,000 acres, and is necessary to ensure the proper care and management of the objects the monument was established to preserve and those added by this Proclamation. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this addition are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this addition is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Furthermore, nothing in this Proclamation is intended to modify, revoke or abrogate the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this addition, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4620, Kenai Fjords National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Kenai Fjords National Monument borders the Gulf of Alaska and includes the Harding Icefield and extensions of mountain peaks out into the sea. The area holds a significant opportunity for geologic study of mountain building and for scientific study of ecological variations from an icecap environment to a marine shoreline environment.

The Harding Icefield, one of the Nation's major icecaps, continues to carve deep glacial valleys through the Kenai Mountains. The mountains themselves illustrate tectonic movement through uplift and subsidence over geologic time. Former alpine valleys are now fjords, and former mountain peaks are now tips of islands and vertical sea stacks.

Between the fjords, richly varied rain forest habitats offer opportunities to study life forms adaptable to the wet coastal environment. On the land these include mountain goat, black bear, otter, ptarmigan, and bald eagle. The area is extremely rich in sea bird life of interest to ornithologists and in marine mammals which come to feed in the fjords from their hauling and resting places on nearby islands. The recovery of the sea otter population from almost total extermination to relatively natural populations in this area is of continuing scientific interest.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Kenai Fjords National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Kenai Fjords National Monument on the map numbered KEFJ-90,008 attached to and forming a part of this Proclamation. The area reserved consists of approximately 570,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monu-

ment and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4621, Kobuk Valley National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Kobuk Valley and its environs, an area located in the northwest interior of Alaska, contains important archeological data and biological and geological features of great scientific significance.

Archeological features within the area illustrate an unbroken continuum of human adaptation to the natural environment from the early pre-Eskimo people of 10,500 years ago to present-day local residents. Scientists recently discovered more than 100 dwellings occupied in about 1250 A.D., comprising the largest settlement of its kind. The Onion Portage Archeological District is located within the area, and is listed on the National Register of Historic Places. Archeological research at Onion Portage has yielded evidence of more than 10,000 years of human occupation.

The area contains the Great and Little Kobuk Sand Dunes, which lie north of the Arctic Circle and include both active and stabilized dunes. Scientific studies of the dunes show them to be older than 33,000 years, and several plants have been found in association with the dunes environment which are scientifically unusual in the area. The Great Kobuk Sand Dunes attain a height of 100 feet.

The inclusion of the watersheds on the north and south of the Kobuk River protects a uniquely representative series of interrelated plant communities. There is here an essentially unspoiled laboratory for the study of the northern boreal forest.

A rich variety of wildlife also occurs within the area. Major portions of the northwest arctic caribou herd move through the area in spring and fall migrations. The area also includes one of only two significant populations of the Alaskan sheefish. The water environment is habitat for nesting waterfowl, moose, and muskrat. A relatively dense population of grizzly and black bears, wolf, wolverine, fox, otter, and other northern furbearing mammals range over the entire area.

The land withdrawn and reserved by this Proclamation for the protection of the archeological, geological, biological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with these objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is one of the values to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Kobuk Valley National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Kobuk Valley National Monument on the map numbered KOVA-90,-010 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,710,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence livestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands hereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4622, Lake Clark National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

An area in south-central Alaska contains examples of geological phenomena associated with two major mountain chains, the Alaska Range and the Chigmit Mountains, in an array that includes jagged peaks and two symmetrical, steaming volcanoes. These volcanoes, Redoubt and Iliamna, have been listed on the National Registry of Natural Landmarks.

The area's land forms also contribute to an outstanding example of ecological diversity in zones which remain relatively unspoiled for continued scientific research. Large mammals such as moose, caribou, Dall sheep, grizzly bear, black bear, and wolverine occur in natural populations. Whistling swans nest and rare trumpeter swans assemble in the area. Other birds, including bald eagle, gyrfalcon, osprey, and endangered peregrine falcon, breed within the area. Seabird colonies occur along the coast. One of the most stable natural populations of caribou in Alaska, the Mulchatna herd, calves and migrates within the area, offering significant opportunities for scientific study of this mammal.

Sockeye salmon runs within the area are exceptional. The area includes the upper drainage of the Kvichak River System, which is the single most productive spawning and rearing habitat for red salmon in the world, and the subject of scientific research for many years.

Historical resources of the area are significant. Kijik Village, on the shore of Lake Clark is the site marking the first known Russian exploration of the region in the late eighteenth century. The area holds great promise for the discovery of further evidence defining the impact of the Native-European contacts.

The land withdrawn and reserved by this proclamation for the protection of the geological, archeological, historical, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with these objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Lake Clark National Monument all lands including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Lake Clark National Monument on the map numbered LACL-90,009 attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,500,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument

upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument, and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4623, Misty Fiords National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Misty Fiords is an unspoiled coastal ecosystem containing significant scientific and historical features unique in North America. It is an essentially untouched two million-acre area in the Coast Mountains of Southeast Alaska within which are found nearly all of the important geological and ecological characteristics of the region, including the complete range of coastal to interior climates and ecosystems in a remarkably compact area.

Among the objects of geologic importance are extraordinary deep and long fiords with sea cliffs rising thousands of feet. Active glaciers along the Canadian border are remnants of the massive ice bodies that covered the region as recently as about 10,000 years ago, at the end of the Pleistocene epoch. However, there have been periodic glacial advances and retreats in more recent historic periods. Some of the area has been free from glaciation for only a short period of time, creating the unusual scientific phenomenon of recent plant succession on newly-exposed land with the accompanying animal species. The Behm Canal, the major inlet at the heart of the area, is more than fifty miles long and extraordinary among natural canals for its length and depth.

The watershed of the Unuk River, which comprises the northern portion of the Misty Fiords area, has its headwaters in Canada. It is steeply mountainous and glaciated and contains the full range of ecosystems and climates from interior to coastal. Mineral springs and lava flows add to the uniqueness of the area and its value for scientific investigation. South of the Unuk, the Chickamin River System and the Le Duc River originate in active glaciers and terminate in Behm Canal. Further south, Rudyerd Bay Fiords and Walker Cove are surrounded by high, cold lakes and mountains extending eastward to Canada.

First inhabitants of Misty Fiords may have settled in the area as long ago as 10,000 years. The area contains cutural sites and objects of historical significance, including traditional native hunting and fishing grounds. Later historical evidence includes a mid-1800's military post-port entry on Tongass Island and a salmon cannery in Behm Canal established in the late 1800's.

Misty Fiords is unique in that the area includes wildlife representative of nearly every ecosystem in southeast Alaska, most notably bald eagles, brown and black bears, moose, wolves, mountain goats and Sitka black-tailed deer. Numerous other bird species nest and feed in the area, notably falcons and waterfowl. Misty Fiords is a major producer of all five species of Pacific salmon and is especially important for king salmon. Numerous other saltwater, freshwater and anadromous fish species and shellfish are plentiful in this area, which is an extraordinarily fertile interface of marine and freshwater environments. Unusual plantlife includes Pacific silver and subalpine fir trees near the northern limit of their range. The area includes an unusual variety of virgin forests, ranging from coastal spruce-hemlock to alpine forests.

As an intact coastal ecosystem, Misty Fiords possesses a collective array of objects of outstanding value for continuing scientific study. The boundaries of the area follow watershed perimeters and include the smallest area compatible with protection of this unique ecosystem and the remarkable geologic and biological objects and features it contains.

Hunting and fishing shall continue to be regulated, permitted and controlled in accord with the statutory authorities applicable to the monument area.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, at his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the government of the United States to be National Monuments, and to reserve as part thereof parcels of lands, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by section 2 of the Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Misty Fiords National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area described on the document entitled "Misty Fiords National Monument (Copper River Meridian)", attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,285,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the Monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this Monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this Monument and for the proper administration of the Monument in accordance with applicable laws.

The establishment of this Monument is subject to valid existing rights, including, but not limited to, valid selection under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under section 17 (d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the National Monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this Monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, Dec. 5, 1978]

[Proclamation 4624, Noatak National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Noatak River basin is the largest mountain-ringed river basin in the Nation still virtually unaffected by technological human activity. This basin has been designated as a Biosphere Reserve under the United Nations' auspices, in recognition of its international importance for scientific study and research.

The area includes landforms and ecological variations of scientific interest. The Grand Canyon of the Noatak River is a dissected valley 65 miles long. The area contains the northwesternmost fringe of boreal forest in North America, and is a transition zone and migration route for plants and animals between subarctic and arctic environments. The diversity of the flora is among the greatest anywhere in the earth's northern latitudes.

The Noatak Valley area contains a rich variety of birdlife including several Asian species. The area is crossed twice a year by two-thirds of the Western Arctic caribou herd, and is prime habitat for the barren ground grizzly bear, moose, and several predator species.

Nearly 200 archeological sites, dating as far back in time as 5,000 years, are within the area. They give promise of future discoveries leading to a deeper understanding of the area's prehistory.

The Noatak basin is an area where indigenous plants and animals perpetuate themselves naturally, in a freely functioning ecosystem. Protection of this area will assure the preservation of an essential base against which scientists may judge environmental dynamics of the future.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends upon subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Noatak National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Noatak National Monument on the map numbered NOAT-90,004 attached to and forming a part of this Proclamation. The area reserved consists of approximately 5,800,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616 (d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska v. Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4625, Wrangell-St. Elias National Monument, Dec. 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

An area of southeastern Alaska adjacent to the International Boundary with Canada contains a variety of landforms, including high mountain peaks and steep canyons, with associated geological, ecological, biological, and historical phenomena of great importance.

The area includes the greatest assemblage of mountain peaks over 14,500 feet in elevation found in the Nation, the nation's second highest mountain (Mount St. Elias, at 18,008 feet) several inactive and one active volcano (Mount Wrangell), and an active glacial complex, including some of the largest and longest glaciers in the Nation. The high mountain peaks and glaciers offer an excellent opportunity for glaciological studies. The Malaspina Glacier is listed on the National Registry of Natural Landmarks.

Thermal features in the area include the mud cones and hot springs on the western base of Mount Drum. More complete undeveloped river systems exist here than in any other land area in the Nation, with more than 1,000 miles of powerful running, silt-laden rivers.

Biologically unique subspecies of flora and fauna have developed in the Bremner and Chitina River Valleys. As a result of their isolation by virtue of ice fields and the Copper River, these areas are virtually ecological islands in which development of subspecies is largely unaffected by interchange with outside plant and animal species.

Wildlife populations include the largest population of wild mountain sheep in North America, moose, mountain goat, and a nonmigratory population of caribou. The area is the only part of Alaska where four of the five identifiable forms of bear occur, including the interior grizzly, the coastal brown bear, the black bear, and the rare, blue-color phase of the black bear called glacier bear. Along the coast of the Gulf of Alaska bald eagles and a large and varied shorebird population occur.

Cultural development within the area is of interest to archeologists and historians. Three major culture areas converge here, each with distinctive cultural patterns: the North Athapascans, the Pacific Eskimo, and the Chugach. Mining history is evidenced by the Kennecott Copper Works, a National Historic Landmark.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological, and other phenomenia enumerated above supports now, as it has in the past, a unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Wrangell-St. Elias National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Wrangell-St. Elias National Monument on the map numbered WRST-90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 10,950,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska v. Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the national stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4626, Yukon-Charley National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Yukon-Charley National Monument, an area in east-central Alaska, includes a combination of historic and scientific features of great significance. The Upper Yukon River basin contains historic remains of early mining activity, and includes outstanding paleontological resources and ecologically diverse natural resources, offering many opportunities for scientific and historic study and research.

The area provides breeding habitat for the endangered peregrine falcon, and may produce about one-fourth of the known individuals of the *anatum peregrine* subspecies in its northern habitat. Wildlife also include isolated wild populations of Dall sheep, moose, bear, wolf, and other large mammals. Nearly 200 species of birds, including 20 different raptors, are present in the area.

Geological and paleontological features within the area are exceptional, including a nearly unbroken visible series of rock strata representing a range in geologic time from pre-Cambrian to Recent. The oldest exposures contain fossils estimated to be 700 million years old, including the earliest forms of animal life. A large array of Ice Age fossils occurs in the area.

Within the area is the Charley River basin, parts of which were unglaciated, preserving relict Pleistocene plant communities. The Charley River is considered to be one of the cleanest and clearest of the major rivers in Alaska, and thereby offers excellent opportunities for scientific studies. In the upper Charley River basin, artifacts occur dating back possibly 11,000 years, attesting to the presence of ancient hunters who were the ancestors of the modern Athapascan people.

The land withdrawn and reserved by this Proclamation for the protection of the historical, archeological, biological, geological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Yukon-Charley National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Yukon-Charley National Monument on the map numbered YUCH–90,009 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,720,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4627, Yukon Flats National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Yukon Flats National Monument exemplifies the largest and most complete example of an interior Alaskan solar basin with its associated ecosystem. The mountain-ringed Yukon Flats basin straddles the Arctic circle and is bisected by the Yukon River.

The physiography of this basin, coupled with the continuous sunlight of the summer months, results in a climatological phenomenon in the basin of warmer summer temperatures and less cloudiness, precipitation and wind than in surrounding areas. These factors produce a lush wetland area which makes the Yukon Flats basin one of North America's most productive wildlife habitats. The pristine ecological nature of the Yukon Flats offers an excellent opportunity for study of the factors contributing to the immense productivity of the solar basin areas.

The Yukon Flats contributes significant populations of several species of waterfowl to all four of the continent's flyways, including 10–25 percent of the North American breeding population of canvasback ducks. This area is also significant for its capacity to provide nesting for ducks displaced from Canadian pothole provinces in drought years. The productive, migration flows and key habitat for particular species offer abundant scientific research possibilities.

Additionally, the area produces a unique race of salmon which migrate over 2,000 miles from the sea to spawn. This genetic capability is unknown elsewhere.

From prehistoric times, the area's rich populations of furbearers have attracted humans to the area. The establishment of Fort Yukon, the first English speaking settlement in Alaska, was directly related to the Hudson Bay Company's fur trade. The area's preservation offers to the scientists the opportunity to investigate the life and society of the peoples which utilized these resources.

The land withdrawn and reserved by this Proclamation for the protection of the geological, historical, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Yukon Flats National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Yukon Flats National Monument on the map numbered FWS–81–00–1514 attached to and forming a part of this Proclamation. The area reserved consists of approximately 10,600,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public

land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any public land order effecting a withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1616 (d)(1); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*. Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of sport hunting, and of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population or to sport hunting of a particular fish or wildlife population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hands this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, vol. 43, No. 234—Tuesday, December 5, 1978]

TEMPORARY REGULATIONS FOR NEW ALASKA MONUMENTS ISSUED

The Department of the Interior today issued temporary regulations for 15 new national monuments in Alaska aimed at giving short term guidance on issues such as subsistence and access on the new monuments.

"These regulations have the dual function of protecting the great natural treasures of Alaska and the lifestyle of the rural people who often depend on local plants, animals, birds and fish for their livelihood," said Secretary of the Interior Cecil D. Andrus.

Secretary Andrus added that public comment would be sought and hearings would be held before permanent regulations are issued in early spring.

The temporary regulations were issued, Secretary Andrus said, in order to modify existing National Park Service regulations which may have barred, among other things, subsistence activities by local rural residents and in-holders, and routes and methods of access to areas within and across the new national monuments.

Existing regulations covering general use of park service areas remain in force wherever they are not altered by the new temporary regulations. Existing regulations, for example, cover such specific activities as mining and access for mining purposes within and across the new national monuments.

Temporary regulations are also necessary for the management of monuments under the jurisdiction of the Fish and Wildlife Service because of the absence of any existing applicable regulations.

President Carter established these monuments, along with two others to be managed by the U.S. Forest Service, on December 1 under provisions of the Antiquities Act of 1906.

All but two of the 15 monuments managed by the Interior Department will be managed as units of the National Park system by the National Park Service. The remaining two will be managed by the Fish and Wildlife Service.

In his proclamation establishing the areas, President Carter said, "the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument."

All units, except Kenai Fjords, where there is no record of subsistence activity, will be open to subsistence hunting, fishing and trapping.

Under the temporary regulations, the use of off-road vehicles and airplanes will continue to be allowed where such uses are traditional and established, or reasonable and appropriate in the exercise of a valid property right. Airplanes may not be used, however, for subsistence purposes.

Use of nets, except landing nets, and certain kinds of bait, is banned for sport fishing in the national park monuments in Alaska as is generally the case in park areas. Such restrictions do not apply in the two wildlife monuments.

The temporary regulations bar commercial trapping in the national park monuments. Because the 1978-79 trapping season is already underway, though, and in order to prevent undue economic hardship, the acting National Park Service area director for Alaska, Robert Petersen, has determined that existing commercial trapping under state permits will be permitted to continue for this season.

"Although the number of commercial trappers is small, the hardship that such late notice would work on them would be unfortunate," the acting director said.

In addition state permitted trapping at the current level will be permitted to continue in the wildlife monuments for this season.

The 15 new Alaska national monuments managed by the Interior Department are: Aniakchak NM (350,000 acres); Bering Land Bridge NM (2.6 million acres); Cape Krusenstern NM (560,000 acres); Denali NM (enlargement of Mount McKinley National Park 3.9 million acres); Gates of the Arctic NM (8.2 million acres); Glacier Bay NM (enlargement 550,000 acres); Katmai NM (enlargement 1.4 million acres); Kenai Fjords NM (570,000 acres); Kobuk Valley NM (1.7 million acres); Lake Clark NM (2.5 million acres); Noatak NM (5.8 million acres); Wrangell-St. Elias NM (11 million acres); Yukon-Charley NM (1.7 million acres); Yukon Flats NM (10.6 million acres); Becharof NM (1.2 million acres).

Yukon Flats and Becharof will be managed by the Fish and Wildlife Service. All the others will be managed by the National Park Service.●

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, as we open the 1st session of the 96th Congress, I very much regret that I must rise to again introduce H.R. 39, the "Alaska National Interest Lands Conservation Act."

It is regrettable that this House must once again take up this greatest of land conservation issues in our history. I regret it because I am so proud of what the House of Representatives did for the protection of the peoples' land in Alaska last year. We passed H.R. 39 then, and in those 3 days of debate and voting last May, we wrote perhaps the proudest achievement in the history of this body, in the field of land and wildlife conservation.

While I regret that the Senate was prevented from completing action on that House-passed bill last year—a House-passed bill on which the sentiment of this body is so very clear and so very strong—I am nonetheless pleased to be joined today by nearly 100 of our colleagues as original cosponsors of this new H.R. 39.

Today, on the first day of its introduction, the bill JOHN SEIBERLING and I are offering for Alaska Federal land protection is being cosponsored by more Members of the House than joined us on the bill in all of the 2 years of the 95th Congress.

This, like the historic and overwhelming votes last year, marks the breadth and depth—and growth—of support for a strong Alaska lands bill.

THE PEOPLE'S LAND

To each of our colleagues who have joined today in cosponsoring this Alaska lands bill, I simply express my appreciation. I know that the American people support this strong bill, so I know that those joining us in early support and commitment will receive also the grateful appreciation of the people. Back home in our individual districts across this land, the people understand (perhaps even better than we) the very real values that their lands in Alaska hold for them and for the quality of their lives. They feel (perhaps even more than we) the high responsibility of stewardship, the obligation to pass these stupendous natural places on to future generations of Americans and of our fellow citizens of this Earth. The people want this strong, solid Alaska Federal lands protection bill. They look to us in the Congress to fulfill our special role as "trustees" of their inheritance, and as trustees for the legacy of wild land and wildlife that they wish to leave for their children's children.

The bill JOHN SEIBERLING and I and our colleagues are introducing today will be the first focus for the work of the full Committee on Interior and Insular Affairs. It is a matter of top priority for the House of Representatives.

A REFINEMENT OF THE HOUSE-PASSED BILL

This bill is not unfamiliar to those Members returning to the House in this new session of Congress. It is, in fact, a refinement of the basic bill which the House passed overwhelmingly last May. The refinements, which I will explain in detail, respond to the circumstances which have changed since the House

acted. For the benefit of new Members, I intend to review the history and some of the issues involved in H.R. 39.

But first, let me outline the contents of this bill.

THE LANDS WE PROTECT

In reviewing the acreage we propose for protection in each land classification, I want to remind my colleagues that Alaska is a whole subcontinent, 375 million acres big.

Of this 375 million acres, we have already given more than 150 million acres to the people of Alaska. In addition, another very sizable portion will remain in Federal land status for development (under the Bureau of Land Management and the Forest Service) and is available for development, without impact from this bill. Only a small portion of Alaska's 375 million acres has been protected by Congress in already existing national parks and wildlife refuges (such as Mount McKinley National Park and the Arctic National Wildlife Range). Finally, there are 56 million acres of federally owned lands which have been dedicated as national monuments for park and refuge protection, as a result of Presidential action which became necessary when the Senate failed to complete action on our House-passed bill last year.

Those recent Presidential proclamations of national monuments (which I will explain in greater detail) were basically a confirmation of the decisions the House of Representatives had already taken when it passed H.R. 39 last year.

NATIONAL PARK SYSTEM LANDS

In the bill I am introducing today, we simply confirm the protection of 41 million acres of national monuments which the President dedicated for management by the National Park Service. We retitle these areas as "national parks," a classification only the Congress can confer. Together with other national parks and national monuments already existing in Alaska, we will have a total of 48 million acres of National Park System lands in that State. Of this total, the bill will provide full statutory wilderness protection for 42.2 million acres in the new and already existing units. This is virtually the same acreage of wilderness classification for park system lands which the House approved last year.

NATIONAL WILDLIFE REFUGE SYSTEM LANDS

In the bill the House passed last year, we established some 76.8 million acres of new national wildlife refuges. Two of these areas are now dedicated as national monuments as a result of Presidential action in December, and are being administered by the U.S. Fish and Wildlife Service. These are the Becharof National Monument and the Yukon Flats National Monument. Our new bill simply confirms the protection of those lands, retitling them as "national wildlife monuments" to stress their particular purpose for wildlife preservation. They total 11.8 million acres.

In addition, the bill provides national wildlife refuge classification for 55.8 million acres of other lands, virtually all of which were approved for that status in the House-passed bill last year. Thus, the total acreage of new wildlife refuges provided for in this bill, together with the two national monuments we confirm and retitle, is less than the total refuge acreage in last year's bill. This is because we have provided for two smaller wildlife refuges (the Teshekpuk National Wildlife Refuge and the Utukok National Wildlife Refuge) encompassing only the prime wildlife habitat areas in what was, in the House-passed bill last year, a single larger "North Slope National Wildlife Refuge" in the area of the existing national petroleum reserve on the North Slope.

Within this total of new wildlife refuge lands, retitled national monuments, and existing wildlife refuges and ranges in Alaska, this bill provides for 35.2 million acres of statutory wilderness protection.

NATIONAL FOREST WILDERNESS

In southeast Alaska our bill overlays wilderness designation on the two national monuments, Admiralty Island and Misty Fjords—two areas of particular importance, both of which were protected in the House-passed bill last year. In addition, we include as wilderness 1.3 additional acres of lands on the Tongass National Forest which were approved last year by the House. Finally, on the Tongass National Forest we also include new areas totaling some 1 million acres, which are lands proposed as wilderness by the administration as a result of the Tongass land management plan for a total of about 6.4 million acres of wilderness. On the Chugach National Forest we again include some 1.6 million acres as wilderness, again lands as proposed by the administration.

Thus, on existing national forest land in southeast Alaska we propose full wilderness protection for a broad spectrum of lands which cumulatively have been endorsed by either the administration, the House, or the Senate Energy Committee.

ACREAGE SUMMARY

This bill provides for a total of 49.6 million acres of new national park system lands and new national wildlife refuge system lands. In addition, it confirms the protection under those two systems for another 52.6 million acres in existing national monuments. We also redesignate portions of existing reserved Federal lands as new refuge units (the Copper River, Teshepuk and Utukok refuges), all of which total 7.7 million acres. The bill makes relatively small additions of unreserved Federal lands to the two existing national forests in southeast Alaska, additions which total 2.74 million acres. Finally, within national forest lands which are, of course, already reserved, we designate for statutory wilderness protection some 9 million acres (which includes lands within the two national monuments on Admiralty Island and the Misty Fjords).

In total then, the land protection provided for in this bill, including confirmation of park and refuge system monuments already dedicated and some smaller reclassification of existing reserved lands, is about 110 million acres. In addition, we designate portions of these lands and portions of the existing national forests in southeast Alaska for the additional protection given by congressional wilderness classification.

These land areas have each been carefully defined, following our guiding principles of ecosystem integrity and administrative rationality. Those modest refinements we have made which differ from the House-passed bill of last year are necessary mainly to accommodate the new national monuments and to update the bill on the basis of new information. (After the main body of my remarks, I am appending an overall summary of the bill and a table of the acreages involved.)

HISTORY IN EVERY VOTE

Several points about this bill merit reemphasis, so let me repeat some of the things I said last May 17, as I opened debate on H.R. 39 on the House floor.

I said then that there would be history in every vote on this legislation. That remains true in 1979.

This challenge of conservation we face in our Federal domain in Alaska is enormous. This is the greatest land and wildlife conservation opportunity ever to be placed before the House of Representatives. Last year, the House acquitted itself splendidly in meeting this challenge. I have every confidence that we shall do so again, and promptly, in this session. In a way not generally true of the day-to-day legislation which comes before this body, H.R. 39 poses an opportunity of truly historic dimensions. In this, the House of Representatives has led the way.

As long as any of us serve in this House, we shall vote on no more vital, more far-reaching, more memorable conservation bill.

As others have said, the votes on this bill will indeed be "the land and wildlife conservation votes of the century."

THE SEIBERLING SUBCOMMITTEE

The bill the House passed last year was a carefully prepared compromise measure. As a result of the finest subcommittee work I have ever observed, led by an indefatigable—and indefatigably fair—gentleman, JOHN SEIBERLING, the House produced a balanced and strong bill.

The Seiberling subcommittee gave H.R. 39 the most complete, most thorough review any conservation bill has ever received. Commensurate with the scale and reach of the Alaska lands themselves, the Seiberling subcommittee set out to build a record in depth, not only on the details of each proposal and the administrative issues involved, but also on the views of the people of Alaska and of the rest of the American people who, in common, are the owners and trustees of these Federal lands in Alaska.

In all, the Seiberling subcommittee spent 25 days in Alaska (and individual Members made additional trips as well). We did not just hold one day of hearings, or just one week. We did not just visit Alaska's urban centers. We held hearings all across Alaska: in the citizens of Anchorage and Fairbanks, in the towns of Sitka and Ketchikan and others, in the villages of Bethel and Kozebue and Togiak and others, and on to far smaller Native villages and gathering places in the "bush," where

we held less formal but transcribed "town meetings." We heard not only from the leaders of government and the captains of industry and from the chambers of commerce, but also from the common people: The workers in the mill towns of southeast Alaska, the fishermen, and the Native peoples who maintain their subsistence lifestyle and culture living close to the land. All in all over 1,000 Alaskans testified.

THE VIEW OF ALASKANS

It will interest my colleagues to know that opinion on this legislation—on the larger, more inclusive, all-wilderness version of H.R. 39 we started within in January of 1977—was sharply and rather evenly divided among Alaskans. As is true in other States where the frontier passed only recently, opinions on growth, preservation, balance and development were strongly held and of great diversity. Support for that strongest version of H.R. 39, even before we scaled it down, was as strong and as widespread among Alaskans as was the opposition. Many individual Alaskans told us, in our hearings, in our "town meetings," and just in encounters along the way in our travels, to above all protect the land and the way of life as it exists today. To them, that is Alaska.

Of course, the Seiberling subcommittee did not confine its search for opinion to Alaska. After all, the lands we are considering in this legislation are not the lands of the State of Alaska, nor the lands of private owners or of Native groups in Alaska. We have already provided very generously for those purposes with other land grants for the State, with accelerated development of millions of acres of Federal lands, and with a just settlement of the Native land claims. Rather, this land considered in H.R. 39 is the residual—the Federal land the rest of us save for ourselves and for the future. This is the land which remains in common ownership by the Federal Government after all our generosity to the State and the people of Alaska. Surely we should consult the opinion, too, of the rest of the American people.

THE PEOPLE WANT A STRONG ALASKA LANDS BILL

The Seiberling subcommittee also held full-day hearings in five regional centers across the "lower 48." Hearings were held in Washington, D.C. (drawing witnesses from all across the East), in Chicago (with witnesses from throughout the Midwest), in Atlanta (hearing citizens from every Southern State), in Denver (drawing witnesses from throughout the mountain West, and as far as from my own hometown of Tucson), and in Seattle (with witnesses from the whole length of the west coast States). About 1,000 witnesses were heard in the "lower 48" hearings. Every shade of opinion was expressed, but the overwhelming weight of citizen testimony favored our original, most-inclusive, all-wilderness version of H.R. 39—by a 4-to-1 margin.

What is absolutely clear from the impressive record compiled by JOHN SEIBERLING and the subcommittee is that American people in every region of the "lower 48" attach the utmost importance to the fate of their lands in Alaska. They care deeply that we in Congress make careful, thoughtful decisions which reflect the national interest in these federally owned park and refuge-caliber wildlands.

HOUSE FLOOR ACTION

After we completed our markup and reported H.R. 39, the bill was sequentially referred for a period to the Committee on Merchant Marine and Fisheries. That committee, too, engaged in careful hearings and review of the bill, and in detailed markup. Ultimately, we took to the floor a bill which merged the major features of both committees. That bill, with some strengthening amendments, but without a single weakening amendment, passed the House of Representatives on May 19, 1978, by a vote of 277 to 31.

THE "YOUNG AMENDMENT"

Prior to the vote on final passage, we had a detailed debate and major rollcall votes on two weakening amendments, which would have created intolerable, conflict-ridden State inholdings in the midst of national parks and national wildlife refuges, violating our careful work to define ecosystem-protecting boundaries. The Young amendment was defeated, 251 to 141.

I should add, since this argument about purported State selection rights in these national interest lands, may arise again, just these two points:

First, in 1958 the Congress granted the new State of Alaska a gift of Federal land, as a statehood grant. This was far and away the most generous grant ever given a new State: 104,000,000 acres. (That contrasts with the 10 million acres Arizona received upon statehood.) But it was even more generous, for with it we gave the State of Alaska the privilege of selecting from any vacant and unreserved Federal land (whereas other States received checkerboard sections in fixed locations) which are vacant and unappropriated at the time of selection. We did not assert an overriding claim by the Federal Government to prime development lands; we allowed the State to select such lands. This is why the State of Alaska and not our beleaguered Federal Treasury receives the revenues from the oil leases on the land at Prudhoe Bay—because the Congress gave the State of Alaska the privilege of selecting that land as its own.

Unfortunately, some in the State of Alaska now are energetically making the argument that their statehood selection privileges, in addition to being more generous than that for any other State, also gave the State an absolute first right to select any land it wanted, ahead of any competing claim (such as those for the "national interest lands)."

This is simply not the case. The State may exercise its selection entitlements, but others—including the Federal Government—may certainly be making arrangements for the permanent dedication of their lands. In the 1971 Alaska Native Claims Settlement Act—which every member of the Alaska congressional delegation vigorously supported—we provided for Federal withdrawals under both subsection 17(d)(1) and subsection 17(d)(2), involving "national interest" and "public interest" lands. The State may, of course, express an interest in selecting from among these categories of federally withdrawn land, but as our committee report last year stressed, for the State—

to assume that by expressing an interest the lands [in a "d–1" withdrawal] automatically become available is not an accurate interpretation of the legislative history of the 17(d) withdrawals.

In the case of the "d–2" withdrawals, the legislative history is equally clear, again quoting our committee report:

. . . while the State may indicate an interest in selecting certain of these withdrawn lands, the priorities for land selection and conveyance there are: Village corporations first; the "National Interest" second; Regional corporations third; and the State of Alaska last."

In short, the Federal Government does not stand in line behind the State of Alaska in this matter. I for one believe that it exudes an excessively ungrateful attitude for some Alaskans to now argue that in protecting our own park and refuge lands on the Federal domain in Alaska, the rest of the American people are somehow violating the Statehood Act commitments to the State.

NOW THE "BEIRNE INITIATIVE"

The second point I want to make about the "Young amendment" idea of creating State-selected inholdings in the midst of new parks and refuges in Alaska is this: Things have changed for the worse since we voted on this issue last May. Then, those of us opposed to the Young amendment pointed out that even State-owned inholdings in the midst of conservation system areas create potential for real management and protection difficulties. We expressed our worry that the ultimate development of such lands might not always remain within State control, and that there could be no guarantees of compatible management of these lands.

Well, in November of 1978 the voters of Alaska confirmed our worst fears on this score. They passed the "Beirne initiative" which, under the guise of a sort of State "Homestead Act," proposes to give tracts of State-owned lands, totaling up to 30 million acres, to Alaskan applicants. If this initiative stands expected court tests, such State-owned inholdings within Federal parks and refuges could become wide open to immediate transfer out of State ownership into private hands, in small and fragmented parcels. Without any plans. Without any controls. Without any zoning. In short, we would end up with private inholdings and developments in the middle of our Federal conservation system areas, without any guarantee at all of future compatible management and development, indeed with the almost certainty of incompatible development.

Mr. Speaker, any Member of this House familiar with the exhorbitant prices we are forced to pay to acquire conflict-ridden inholdings in our existing parks and refuges in the "lower 48" can only wince at the prospect now offered by a combination of the Young amendment and the Beirne initiative. We would be faced with buying back,

with money from the taxpayers' pockets, lands the taxpayers now own, after having given those lands away free and clear to the State of Alaska. A more outrageous prospect I find hard to imagine. I do not find it hard to imagine what our own constituents will think if we permit such inholdings to be established, only to have to buy them (and their developments) back later, at enormous expense out of the pockets of the very people who own those lands right now.

There never was a good argument for the Young amendment. Now there is an even more obvious argument against it.

THE "MEEDS AMENDMENT"

The other major attempt to weaken H.R. 39 on the House floor last year was the Meeds amendment, offered by my good friend, the former Congressman from Washington, Lloyd Meeds. This amendment attempted to cut the acreage of wilderness dedications within the new parks and refuges created by the bill. In fact, it would have sliced the wilderness acreage in half. That was rejected by the House, 240 to 119.

Wilderness is what these lands in Alaska are all about. No where else on our land mass and indeed, perhaps on the entire planet, can we or our successors ever again preserve wilderness in its original form on so vast a scale. Here, for probably the last time, we can preserve whole ecosystems and whole wildlife habitats intact, in units which match the scale of the mighty Brooks Range and the sweep of the great Arctic Plain. This is important. It is obviously important to the American people, as the outpouring of support for this legislation so vividly demonstrates. It is important because our people have a fundamental, deep attachment to their land and to these greatest of our wild places, even at a distance. If the tradeoff were wilderness or our economic salvation, we might be forced to violate our last great wilderness. But, here in Alaska, we are not so poor that we must sacrifice our last great wilderness, nor as a society are we so rich (in the nonmaterial sense) that we can afford to disenfranchise future generations of their natural heritage.

In the refined bill I am introducing today, we have increased the total acreage in the protected wilderness classification. We do this simply because we recognize that it is this wilderness classification, laid on top of the general park or refuge designation, which also gives us a statutory guarantee for the perpetuation of the last, greatest wilderness of the Alaskan frontier.

This increase in the wilderness classification (which particularly involves our wildlife refuge areas) is also wise because it takes account of the kind of parks and refuges and forests the American people want in Alaska. I am convinced that our people want wilderness parks, and wilderness refuges, and a fair sampling of wilderness forests. I am convinced that those who will go to these areas in the future, and those who will read of them and dream of them from afar, will want to see and to know these great expanses as wilderness, and as the refuge of wilderness wildlife.

Finally, I have revised the wilderness portion within the areas designated by this bill also in recognition that the House was not able to reach a vote on amendments which would have accomplished this purpose. Because we took 2 days to dispose of the weakening amendments, and because we finished the bill on a Friday, time simply ran out before we could take up amendments which would have expanded the wilderness category, especially within the national wildlife refuges. I am confident these amendments would have been approved and therefore, in order to assure that the House has an opportunity to work its will on this matter this year, I have adjusted the wilderness acreage accordingly.

THE SENATE AND H.R. 39

The Senate never voted on H.R. 39.

In 44 markup sessions, the Senate Committee on Energy and Natural Resources severely cut away at the carefully balanced House-passed bill. After seemingly interminable delays (which were the fruits of a 2-year-long deliberate strategy of delay by the Alaska delegation), the Energy Committee finally reported its bill in the last weeks of the session, too late for any hope of floor scheduling. As a result, those Senators not members of the committee never had a chance to express their judgments on what the committee had done is severely weakening the House-passed bill. Major strengthening amendments which were prepared by numerous Senators could never reach a vote.

Mr. Speaker, the last word from the House of Representatives on an Alaska lands bill was spoken by that 277-to-31 vote on final passage, and by the huge margins rejecting any cut in wilderness acreage or any creation of State-owned inholdings within new park and refuge system units. That will remain our last word to the Senate until we vote again, until they vote on the Senate floor, and until the appointed managers for the two bodies meet in open and formal conference.

Frankly, Mr. Speaker, I think we all know how this Alaska lands issue is going to come out, in general terms. The will of the House of Representatives has been unmistakable, and is even more so today. I am encouraged by the sentiment I expect to see prevail when the Senate reaches its floor votes on these questions. And I am especially gratified by the splendid partnership we have seen on this issue between all three branches of the Federal Government since the adjournment of the last Congress.

PRESIDENTIAL LAND PROTECTION

The Congress, or at least the House, made its will very clear last May. The Senate was blocked from taking final action. Therefore, it was essential that the President act to avoid dangers to the land and wildlife we seek to protect. The December 18, 1978, deadline on interim protection for these lands posed real and very serious threats to the status quo.

In an effort to block Presidential action, the State of Alaska filed a Federal lawsuit in early October. At that point, before the executive branch could complete its procedures and act, it was necessary for the court to rule on motions by the State to temporarily restrain or enjoin the President from acting. I am pleased that an Alaskan Federal district judge, sitting in Alaska, ruled on November 27, dismissing the State's motions and writing at the conclusion of his opinion:

> The ultimate decision on public lands has been delegated to the Congress by Article I of the Constitution and the public interest lies in allowing the Congress to make the ultimate decision. That interest will be hindered if the status quo of the concerned lands is not maintained until the Congress can render that decision.

Thus, on December 1, the President did take action. He acted to protect these Federal lands in Alaska. Upon the advice of Secretary of the Interior Andrus and Secretary of Agriculture Bergland, at the urging of 133 Members of the House and 20 Senators—and in response to the petition of more than 1,500 civic, conservation, and sportsmen's organizations in every State.

The President invoked authorities given him in the 1906 Antiquities Act. I want to emphasize that Congress fully intended to give Presidents this broad land protection authority, as evidenced by the fact that we particularly avoided limiting this Antiquities Act authority in the 1976 Federal and Policy and Management Act, in which we curtailed many other executive land withdrawal powers.

PROTECTING CONGRESSIONAL OPTIONS

Some, including my good friends in the Alaska delegation, have sought to portray the President's action established 56 million acres of national monuments on federally owned lands in Alaska as "an abuse of executive powers." This was no abuse, for the President was acting in full consultation with congressional leaders, and in full partnership with the obvious will of the House of Representatives—and with the blessing of the court. He acted to protect lands this House had fully debated and voted—by huge margins—to protect. He was not invading congressional prerogatives, but protecting congressional options. He was assuring permanent protection for critical lands which had been included in the House-passed bill, precisely to assure that the status quo on those lands would be protected in the interim (however long) until the Congress could overcome minority delaying strategies and complete action. This was no abuse of executive powers, but a splendid partnership among all three branches of the Federal Government, for the protection of a clear national interest. And it was splendid and historic leadership by President Carter.

BALANCE IN ALASKA

Mr. Speaker, 2 years ago when I introduced the first, much larger and more totally protective version of H.R. 39, I said that—

> Today, Alaska is the embodiment of a larger public debate taking place within our society—the debate over the development of

a wise and lasting national resource policy. The need for a comprehensive national resource use policy—including carefully addressing the element of resource conservation and preservation—is perhaps more glaringly apparent in the State of Alaska than in any other region of the country.

In H.R. 39, we have found the right balance. Though final congressional action remains to be completed this year, the House has shown the way with a sound and balanced bill. That bill, in the refined version introduced today, reflects the product of 2 years of legislative work by two major committees of this body. It also reflects both the redressing of an existing imbalance toward development of Alaska's Federal lands and a sound compromise with the resource needs of this Nation and the people of Alaska.

In the first place, this bill redresses a serious existing imbalance. The Congress has gone to great lengths to favor the development and prosperity of Alaska and its people. We have responded promptly and generously to every pro-development request we have received from that State—to the request that we clear the way for the trans-Alaska oil pipeline (which we did promptly in Public Law 95–153); to the request for systematic exploration of the national petroleum reserve on the North Slope (which we mandated in Public Law 94–258); to the request for expedited consideration of a proposed Alaska Natural Gas Transportation System (which we responded to in Public Law 94–586); to forest development in southeast Alaska (which we heavily subsidize every year through low stumpage fees, and on and on. We have given up millions upon millions of acres of Federal land as a gift to welcome the new State of Alaska into the Union in 1958 (in Public Law 85–508), and we have settled the confusion over aboriginal land claims by passing the Alaska Native Claims Settlement Act, (Public Law 92–203).

Now, in the name of simply restoring a balance to all this development and land transfer out of Federal ownership, we have a clear obligation to the national interest in these other lands and their superb natural values.

Moreover, this bill already involves many compromises.

"LOCK-UP": THE BIG LIE

We have spent 2 years in careful study as we have located the boundaries of new park and refuge units on the Federal lands in Alaska. We have been very deliberate in examining every resource conflict and adjusting boundaries in accordance with individual assessments by the committees as to the tradeoffs between such resources and the surface values of these lands for park, refuge, and wilderness purposes. In this process, we have recognized, too, that so much of the rest of Alaska's 375 million acre land mass offers these same resources, and are not impacted at all by H.R. 39.

Mr. Speaker, as a result of this painstaking work, approximately 65 percent of the land with metallic mineral potential in Alaska will be outside any of the lands included in H.R. 39; 80 percent of all the land in Alaska will be open to possible development; 87 percent of all the land in Alaska can be opened to sport hunting and to trapping; 90 percent of all the "favorable" and "high potential" oil and gas lands onshore in Alaska are totally outside the conservation areas in this legislation; and 100 percent of all Federal land in Alaska will be available for scientific mineral assessment by our expert Government agencies—the U.S. Geological Survey and the Bureau of Mines—and such assessment is specifically provided for in H.R. 39 and core drilling for geologic information would be authorized everywhere except in units of the national park system.

So much for the "big lie" about economic stragulation and resource "lock-up."

As one who is deeply concerned over the need of the Nation for new sources of minerals as well as the need of the Nation for national parks, wildlife refuges, national forests, and wild rivers, I believe that there is more than enough land in Alaska—Federal, State, Native—to let us satisfy all of these national goals, and this bill provides a proper balance among these competing national needs.

STATES RIGHTS

But are not we being unfair, somehow, to the State of Alaska. Should not other States, particularly public land States, be worried about this? The answer is "No."

On this question of States rights, I will simply repeat what I had to say when I opened floor debate on H.R. 39 last May—

THE ISSUE OF STATES RIGHTS

Let us just put this issue in its proper perspective: Here we have the most significant, the most historic, the most far-reaching land and wildlife conservation legislation ever placed before this body. We should not be surprised to find every narrow, privileged interest coming in here to try to get some of this land.

Have we in this Congress been unfair to the State of Alaska and its people? Do they have some special claim to more of our Federal land in Alaska that all of your constituents own?

Frankly, I am getting a bit tired of the special pleading of some voices in the State of Alaska. The simple fact is that the United States has been more generous with that State than with any other State in the Union.

First, the United States bought Alaska from the Russians in 1867—and the taxpayers of the rest of the country paid for that.

Then Alaska was admitted to the union in equality with every other State. But we went way, way beyond equality: the United States gave Alaska the largest, richest statehood land grant in history. The United States gave Alaska a whole California—104 million acres. And Alaska got it right off the top, with priority selection opportunity to high-grade the best, richest lands, to mine them, to log them, to do anything they wanted with them. In contrast, my home State Arizona received only 10 million acres at statehood.

You in Alaska have Prudhoe Bay, not the taxpayers and Treasury of the rest of the country. You have been up and down every valley in Alaska, using every bit of resource data you can get to pick out the very best.

Then we lifted the great uncertainty over your future in Alaska by settling the legitimate land claims of the first Alaskans, the proud Native Indians, Eskimos, and Aleuts. We settled their claims with Federal land and with a lot of Federal money.

And, of course, we go beyond that year after year, every time we pass a budget and appropriate the tax revenues of all the American people around here. We give you in Alaska a larger share—by more than twice as much over any other State—of the per capita Federal expenditures in this whole country. Truly, we have given Alaska a kind of "most-favored-State" status.

We have been fair to the State of Alaska—far, far fairer than to any other State in the Union. There is no basis what so ever for any feeling of obligation or "states rights" to this most favored State.

Certainly the views of Alaskans are important in this whole debate and I want to assure my colleagues here today that we have modified this bill to accommodate, to the fullest extent possible, the wishes of the State of Alaska.

It is certainly true that some lands with economic potential will be closed to development by H.R. 39. Our parks and refuges and wilderness areas are not intended to be exclusively wastelands of utterly no value for any other use. To capture the richness and diversity of the scenic wonders and wildlife habitat of Alaska's Federal lands, we must weigh surface values against other values for development. Those lands which remain in this legislation as parks and refuges and wilderness areas do so because of their extremely high habitat, scientific, scenic, and recreational values—which are simply not compatible with logging, mining, oil drilling, and the like.

A CHEAP ENVIRONMENTAL VOTE

At the time of final passage of H.R. 39 last year, one of its few opponents exclaimed that these were just "cheap environmental votes." Nothing could be further from the truth.

Certainly I do not always agree with every position of this country's environmental, conservation, and sportsmen's groups. But I am well acquainted with the leaders of such groups as the Alaskan Coalition, Friends of the Earth, the National Audubon Society, the National Wildlife Federation, the National Parks and Conservation Association, the Wilderness Society, and the Sierra Club. When these groups tell us—as they do—that to them the votes on this Alaska legislation are "the land and wildlife conservation votes of the century," then I find it hard to believe they and their followers around the country think of these as "cheap votes." I know from my own travels and from my own constituents that a very broad spectrum of the American people are aware of this Alaska lands legislation and are highly supportive of what it seeks to accomplish. The active support of such organizations as the United Mine Workers of America, the National Association of Senior Citizens, the Garden Club of America, the Oil, Chemical and Atomic Workers International, the American Littoral Society, the United Automobile Workers, and the National Speleological Society, and of regional groups such as the Ozark Society, the Federation of Western Outdoor Clubs, and the Appalachian Mountain Club—not to mention Alaskan groups by the dozens—all testify to the broad public interest in this legislation.

CONCLUSION

Mr. Speaker, this Alaska national interest lands issue goes beyond the drawing of boundaries and the totaling up of acreage. It speaks to the heart of our public land policy—how much and what type of land we are willing to protect in return for having demanded so much in terms of resource development. It speaks to our responsibility as stewards of the land, to provide future generations not merely fragmented remnants of our natural heritage, but with whole, intact, truly magnificent ecosystems.

Today, these parts of Alaska are the last great unspoiled pieces of America still within our power to save for the future.

As I said here on the House floor last May, there are some who will remain vehemently opposed to this legislation—in any form. Regardless of the concessions that have been made, they will always try to "up the ante" by demanding even more concessions. Indeed, as Senator STEVENS candidly admits in an interview published in the December issue of Alaska Industry magazine, his delaying tactics last year blocked a bill containing greater concessions to parochial Alaska interests than "most people in Congress" were prepared to give.

Perhaps the rest of us would not be so concerned about our land in Alaska if it were a different time and a different place, if we still had other Alaskas to develop and to exploit. But, there are no more Alaskas. There will be no more opportunity after this, on so vast a scale. Thus, each of us in this House must ask, as we come to vote again on H.R. 39: Have we as a nation learned anything? Have we been sufficiently enlightened by our past mistakes in the "lower 48"? Or have we forgotten the lessons of Appalachia, the devastated landscapes, the 50,000 miles of once pristine rivers now rendered useless? Have we forgotten the timber barons of another era who left us millions of acres of denuded forests? Have we forgotten the buffalo whose limitless numbers were decimated to the brink of extinction in one short decade?

I would like to think we have learned; that our Nation is still great enough to have it both ways.

We can set aside the last remaining vast areas of wilderness and wildlife habitat to meet our obligations to present and future generations, and yet be responsible and flexible enough to assure that there are other lands to explore and develop, with care and sensitivity, to meet our material needs, too.

The tide of modern technological development is about to sweep over Alaska. The discovery of oil at Prudhoe Bay a decade ago is only the most obvious of a whole rash of developments now underway or being readied for implementation. All this is causing a rapid change in the Alaskan lifestyle. Not in our generation, nor ever again, will we have a land and wildlife conservation opportunity approaching the scope and importance of this one.

This time, given one great last chance, let us strive to do it right.

SUMMARY OF PROVISIONS OF ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

GENERAL SUMMARY

The bill is based upon the legislation (H.R. 39) passed by the House of Representatives in the 95th Congress after being reported (in slightly differing form) by the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries. It also builds upon the foundation laid by President Carter when, by proclamations of December 1, 1978, he designated 17 areas which were included in the House bill as new National Monuments.

Thus, the bill confirms the National Monuments established by the President, and in addition designates additional units of the National Wildlife Refuge, National Forest, and National Wild and Scenic Rivers Systems. (The overall acreage so redesignated or designated, however, is about 15 million acres less than would have been similarly designated by enactment of the House bill of last year.)

There are a number of differences between the House bill of last Congress and the new bill. These are the result of developments which have occurred since the House acted in May, 1978. For example, since the House acted, the U.S. Forest Service has completed its studies under the Tongass Land Use Management Plan, and information and suggestions developed through the program have been incorporated into proposed wilderness designations in the Tongass National Forest.

Another difference between last year's bill and this one also results from new developments. During the past year the Department of the Interior, under the leadership and direction of Secretary Cecil Andrus and Assistant Secretary Guy Martin, has acted to streamline its procedures and to remove administrative or legal obstacles to an accelerated transfer to the Alaska Natives and the State of Alaska of the lands to which they are entitled under the Alaska Native Claims Settlement Act and the Alaska Statehood Act. As recently as January 4, Secretary Andrus announced an expedited conveyance of most of the land due the State under the Statehood Act, promised to rescind a number of public land orders inhibiting such conveyances, and increased the staff assigned to process Alaska's land applications. Thus, the new bill omits many of the complicated provisions which were intended to produce just such an acceleration of land conveyances, although it does include a number of other provisions which will improve the administration of the Alaska Native Claims Settlement Act. I have great confidence that Secretary Andrus and the Department of the Interior will continue to move toward a rapid transfer of undisputed land selections to the State, and to a speedy implementation of the Settlement Act's provisions for land transfers to Alaska Natives. Of course, our Committee will monitor developments in this area, and if there is reason to believe that new legal tools are needed for the Secretary to meet this goal, we will be ready to propose such legislation, so that past delays in completing the land transfers to the Natives can be eliminated.

TITLE-BY-TITLE SUMMARY

TITLE I—FINDINGS, POLICY, AND DEFINITIONS

The first title contains the Congressional findings and declarations of policy which underlie the entire bill, and defines a number of the most important terms which are used throughout the bill.

There are 12 findings, upon which are based 7 general policies.

The first finding sets forth the legislative background for the bill, namely the Alaska Statehood Act and the Alaska Native Claims Settlement Act.

The second finding is that while Presidential and other administrative actions have properly and appropriately provided for the protection of nationally and internationally significant resources of the public lands in Alaska, Congressional action is required to afford complete protection which the resources merit.

The third finding notes the fact that wilderness is a distinguishing characteristic of the public lands in Alaska, is central to the continuation of Alaska's cultural values, and merits preservation, but that it is under increasing pressure from threatened intrusions and incompatible activities.

The fourth finding notes that several wildlife species, including ones threatened, endangered, or depleted elsewhere, depend for their survival on the maintenance of wilderness habitats in Alaska.

The fifth finding is that selective representation of diverse natural communities, including pristine, free-flowing rivers, should be preserved as units of Federal land conservation systems.

The sixth finding is that the world is losing wilderness habitats and associated values at an alarming rate, so that the wilderness and wilderness habitats in Alaska have a global importance and their permanent protection is a reasonable and attainable national objective.

The seventh finding notes that the continuation of the opportunity for subsistence uses by Natives of Alaska of renewable resources on public lands and Native lands is essential to their physical, economic, and cultural existence.

The eighth finding is that continuation of the opportunity for subsistence uses of renewable resources on public lands by other rural residents in Alaska is essential to their physical, economic, and traditional existence.

The ninth finding notes that the subsistence situation in Alaska is unique, because of the frequent absence of practical alternative means to replace the food supplies and other items gathered from the renewable resources of the public lands by persons dependent on subsistence uses.

The tenth finding notes the threatened situation of continued subsistence uses, as a result of population pressures, wildlife population declines, increased access to remote area, and taking of fish and wildlife in ways inconsistent with proper management principles.

The eleventh finding is that it is necessary for Congress to protect and provide for continued subsistence uses on public lands by Alaska Natives and other residents of rural Alaska.

The twelfth finding is that the national interest in proper regulation, protection, and conservation of the fish and wildlife on the public lands and continuation of the opportunity for a subsistence way of life require establishment of an administrative structure enabling local people to have a meaningful role in conservation and utilization of fish and wildlife and the management of subsistence uses on the public lands.

Policies

Based on the findings, there are set forth seven basic policies.

The first is that it is necessary to immediately designate or redesignate public lands in Alaska for inclusion in the systems of National Parks, National Forests, National Wildlife Refuges, Wild and Scenic Rivers and the National Wilderness Preservation System Taken together, these units are able to assure the realization of a number of specific goals: the preservation of unrivaled scenic, wildlife. and geologic values associated with natural landscapes; the management in a natural state of extensive unaltered arctic tundra, boreal forest, and coastal rainforest eco-

systems; the protection and preservation of cultural values of both Native and non-Native people and the renewable resources related to their subsistence needs; the maintenance of sound populations of, and habitat for, a number of wildlife species, including species which need extensive undeveloped areas; the protection and interpretation of historic and archeological sites; the maintenance of wilderness resource values; maintenance of multiple watershed, flora, fauna, and subsistence values; and the preservation of free-flowing rivers. In addition the units will maintain opportunities for scientific research in undisturbed ecosystems.

The second policy relates to the planning, management, and administration of the conservation system units, and states that in these processes intangible values shall be considered on an equal basis with values which can be quantified; sound ecological principles shall be adhered to; and full public participation shall be encouraged.

The third policy is that the public should have access to the public lands in Alaska, including access to the conservation system units consistent with the purposes for which the units are established.

The fourth policy is that management policies on the public lands in Alaska are to cause the least adverse impact possible on rural people who traditionally and consistently depend on subsistence uses of the resources of such lands, consistent with management of fish and wildlife in accordance with recognized scientific principles and the purposes of the conservation system units.

The fifth policy is that nonwasteful subsistence uses of fish and wildlife and other renewable resources by rural residents is to be the first priority consumptive use of such resources on the public lands in Alaska.

The sixth policy is that Federal lands managers, so far as possible and lawful, in managing subsistence activities and renewable resources, are to cooperate with adjacent land owners and land managers.

The seventh policy is that the Federal government in implementing this Act, is to give continuing consideration to the interest of the State of Alaska (and its subdivisions) and the Native corporations in maintaining a viable economy and providing employment for citizens of Alaska.

Definitions

Section 103 contains definitions of 20 of the terms used repeatedly in this bill. One of the most important is the definition of "public lands". Because only "public lands" are added to the conservation system units, although other lands may be within the boundaries of such a unit, this definition is intended to make it clear the establishment or expansion of the conservation system units will not involve the taking of any State lands or any Native selections. Thus the tentatively-approved State selections under the Statehood Act, as well as the lands which the State has received or will receive under that or other Acts, are excluded from the definition of "public lands." (And, of course, lands already patented into State or private ownership also excluded.) Similarly, valid Native selections are not included in "public lands," even though the lands may not yet have been conveyed to the Native corporations entitled to receive them under the Alaska Native Claims Settlement Act.

Another term is "conservation system unit," which means any unit in Alaska of the National Park System, National Wildlife Refuge System, Wild and Scenic Rivers System, or National Wilderness Preservation System and includes those units which exist now, those units which would be established by the bill, the additions to existing units which would be made by the bill, and any units or additions added later.

TITLE II—NATIONAL PARK SYSTEM

The 13 National Monuments which President Carter designated as units of the National Park System are redesignated as National Parks. In addition, three new Park System units are designated as National Preserves (Lake Clark National Preserve, Bering Land Bridge National Preserve, and Noatak National Preserve): these are to be administered in the same manner as National Parks, except that sport hunting could be permitted under regulation. In addition, Glacier Bay National Monument is redesignated as a National Park and the Denali National Monument is combined with Mt. McKinley National Park into Denali National Park.

Appropriate parts of the National Parks are designated as wilderness.

TITLE III—NATIONAL WILDLIFE REFUGE SYSTEM

The Yukon Flats and Becharof National Monuments, designated by President Carter for administration by the U.S. Fish and Wildlife Service, are redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units of the National Wildlife Refuge System conform closely to the lands and waters withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act and which the Secretary is in process of withdrawing permanently. Appropriate portions of the National Wildlife Refuge units are designated as wilderness areas.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning an unusually concentrated population of bald eagles in the Chilkat River area of southeastern Alaska. Each study is to be aimed at determining whether additional measures should be taken for proper protection of these populations.

TITLE IV—NATIONAL FOREST SYSTEM

Section 401 adds 1.450 million acres of public lands to the Tongass National Forest; and adds 1.290 million acres of public lands to the Chugach National Forest.

Appropriate areas, based on the results of the Tongass Land Use Management Plan, and recently completed studies of the Chugach National Forest, are designated as wilderness. A wilderness study area, in the Chugach National Forest, is designated the purpose of which is to provide information and reach decisions not only on wilderness values, but aquaculture needs, alternative land selections for Chugach Native corporations, and numerous other proposed and potential activities in the Prince William Sound area. The U.S. Forest Service, Department of Agriculture has assured me that designation of appropriate wilderness units in the Chugach and Tongass National Forests will not interfere with the timber industry or affect current related employment in Southeast Alaska.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to enable timber harvesters in Alaska to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

TITLE V—NATIONAL WILD AND SCENIC RIVERS SYSTEM

The bill designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study for possible future inclusion in the system. (Other rivers inside the national parks and national wildlife refuges are specified as wild or scenic rivers.)

TITLE VI—FEDERAL-STATE COORDINATION

This title provides for creation of an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal and State landowners and land managers in Alaska, and for creation of an Alaska Land Bank for similar purposes.

TITLE VII—SUBSISTENCE

This title is based on the House-passed bill of 1978, with some refinements drawn from the corresponding sections of the bill reported last year by the Senate Committee on Energy and Natural Resources. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and wildlife on the public lands in Alaska so as to ensure that persons who are dependent upon such resources for their subsistence would have a priority for so using those resources, should it be necessary to impose restrictions on taking. As with last year's bill, there are provisions for appropriate federal oversight of this State responsibility, insofar as the public lands and their resources are concerned. As was the case with corresponding provisions of the 1978 bill, this title clearly enhances, rather than contradicts, the State's fish and wildlife management responsibilities—and in this regard it goes beyond the existing law which would otherwise apply on many portions of the public lands in Alaska.

TITLE VIII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of this title deal with access and with mineral assessments and mineral rights.

Transportation and access

The bill provides for the applicability of existing laws governing access to or on national parks, national wildlife refuges, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholders. It authorizes access for mineral assessment on all public lands in Alaska. It provides for snowmobile access across wild and scenic rivers and it permits the Secretary to authorize the construction of an oil or gas pipeline across wild and scenic rivers in Alaska. Furthermore, it guarantees rights to traditional access across conservation system units.

Mineral assessment and rights

This title also includes a mandate to the Secretary of the Interior that he assess the mineral potential of all public lands in Alaska—both outside and inside conservation system units. The bill would permit the use of core drilling for geologic information in conservation system units except those in the National Parks System. Additionally, the bill mandates that the Secretary provide access for mineral assessment activities, including those under the National Uranium Resource Evaluation program. The bill authorizes the Secretary to utilize private companies to carry out all or any portion of these mineral assessment programs. The title has an explicit recognition of all valid existing mineral rights on public lands

within conservation system units, and explicit permission for holders of such rights to carry out activities related to the exercise of such rights.

TITLE IX—IMPROVEMENTS IN ADMINISTRATION OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve administration of that Act. These provisions are based upon similar recommendations of the Senate Energy and Natural Resources Committee which were included in the bill which that Committee reported last fall. They deal with a number of problems in the administration of the Alaska Native Claims Settlement Act, a topic which our Committee, through oversight hearings by the Subcommittee on General Oversight and Alaska Lands, explored during the last Congress.

The Senate Committee's reported bill also included a number of proposed land-exchange provisions which reportedly have been suggested to that Committee by the Department of the Interior and other parties (such as the State of Alaska and one or more Native corporations) who would have been involved in the various exchanges. While I believe that most if not all of these proposals have merit and deserve to be carried out, since our Committee has never had an opportunity to examine these or to hear testimony concerning their details, I have not included them in the bill I am introducing today. I do expect that our Committee will be looking at these as we consider this legislation, with an eye to including such of them as we believe merit enactment.●

Mr. EDWARDS of California. Mr. Speaker, when historians look back on the 96th Congress, they will no doubt praise it for its wisdom and vision. I say this with no reservations because I know this Congress is on the eve of giving final approval to the most important piece of conservation legislation this century, the Alaskan lands bill.

Mr. Speaker, one of the great disappointments of the 95th Congress was the Senate's failure to complete action on H.R. 39, the Alaska National Interest Lands Conservation Act. This historic measure was carefully crafted by my respected colleagues MORRIS UDALL, JOHN SEIBERLING, JOHN MURPHY, and ROBERT LEGGETT, and it passed the House by an overwhelming 277 to 31 vote last May.

In the wake of the Senate's failure to act on H.R. 39, 126 Members of the House, led by MORRIS UDALL, wrote the President asking that he take strong Executive action to continue protection of Alaskan national interest lands. Members of the Senate wrote a similar letter to President Carter. The letter stated in part:

(W)e applaud your Administration's announced commitment to protect Alaskan lands—and encourage you to use the strongest executive authority—specifically, your authority under the Antiquities Act of 1906 to establish national monuments.

Mr. Speaker, on December 1, 1978, President Carter responded boldly by designating 15 national monuments in Alaska. Establishment of these monuments protects Alaska's invaluable wildlife and wilderness—what the Los Angeles Times in a recent editorial called "every American's heritage." President Carter's unprecedented action earned him the accolade as "the greatest conservation President of all time."

Now Mr. Speaker, the 96th Congress has the chance to achieve similar fame. The responsibility is upon us once again as it was last year, to protect this pristine area. All of us are confronted each and every day with the changes brought by modern technology. Today, each Member has a color TV in his or her office to watch the day-to-day proceedings on the House floor. Computers, printing machines, and complex telecommunication systems illuminate each of our offices. While these changes are good and will continue, I think this age offers a new dimension in American advancement—the preservation of our scenic and wild areas. When our grandkids and their grandkids look back at the 96th Congress, I know they will marvel at our ability to reach out to protect these ever-shrinking areas. The realization of the fact that these areas will be lost unless we the Congress act, should be the impetus for making the Alaskan lands bill a top priority in 1979. When President Carter took these actions regarding proclamation of monuments, he said: . . . they are taken in hope that the 96th Congress will act promptly to pass Alaska lands legislation.

The full text of President Carter's statement is included here for the RECORD:

STATEMENT BY THE PRESIDENT

Our nation has been uniquely blessed with a vast land of great natural beauty and abundant resources. Once these gifts seemed limitless. As our people have spread across the continent and the needs for development reach once distant frontiers, we realize how urgent it is to preserve our heritage for future generations.

Today I have taken several actions to protect Alaska's extraordinary Federal lands. Because of the risks of immediate damage to these magnificent areas. I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year.

Passing legislation to designate National Parks, Wildlife Refuges, Wilderness Areas and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. There is strong support for such legislation in the Congress. In the 95th Congress, the House of Representatives overwhelmingly passed an Alaska bill. A bill was reported out of the Senate Committee, but time ran out and the Senate was unable to finally pass a bill. Because existing "d-2" land withdrawals under the 1971 Alaska Native Claims Settlement Act expire on December 17, much of the land to be protected by legislation would be unprotected and perhaps irrevocably lost if I did not act now.

Accordingly, along with Secretaries Andrus and Bergland, I have taken the following actions:

—I have signed proclamations under the Antiquities Act of 1906 designating as National Monuments 17 of the most critical areas proposed for legislative designation—13 proposed National Parks, two proposed Wildlife Refuges and two proposed National Forest Wilderness areas.

These areas, totaling approximately 56 million acres, contain resources of unequalled scientific, historic and cultural value, and include some of the most spectacular scenery and wildlife in the world. The Antiquities Act has been used in the past to preserve such treasures, for example by President Teddy Roosevelt who designated the Grand Canyon in this way. The Monuments I have created in Alaska are worthy of the special, permanent protections provided by the Antiquities Act. They will remain permanent Monuments until the Congress makes other provisions for the land.

—I have directed Secretary Andrus to proceed with necessary steps to designate National Wildlife Refuges for the remaining twelve proposed refuge areas, an additional 40 million acres.

—Secretaries Andrus and Bergland have already taken steps under Section 204 of the Federal Land Policy and Management Act to withdraw or segregate all of the areas covered by either Congressional or Administration proposals from mineral entry and selection by the State of Alaska.

Each of the areas protected by these actions is exceptional and valuable. Among the treasures to be preserved are the nation's largest pristine river valley, the place where man may first have come into the New World, a glacier as large as the State of Rhode Island and the largest group of peaks over 15,000 feet in North America. Breeding areas of the Great Alaska brown bear, caribou and Dall sheep, and of ducks, geese and swans that migrate through the other 49 States each year will also be protected.

In addition to preserving these natural wonders, historical sites and wildlife habitats, our actions will ensure that Alaskan Eskimos, Indians and Aleuts can continue their traditional way of life, including hunting and fishing.

In Alaska we have a unique opportunity to balance the development of our vital resources required for continued economic growth with protection of our natural environment. We have the imagination and the will as a people to both develop our last great natural frontier and also preserve its priceless beauty for our children and grandchildren.

The actions I have taken today provide for urgently-needed permanent protections. However, they are taken in the hope that the 96th Congress will act promptly to pass Alaska lands legislation.

It is my genuine hope that the House can start the new year, and the new Congress, with a ringing endorsement of President Carter's action and the legislation drafted by MORRIS UDALL and others. To that end, I am today joining MORRIS UDALL and my many other colleagues as a cosponsor of the Alaska National Lands Conservation Act.

Mr. Speaker, let us all rise to this occasion and once again overwhelmingly approve this measure. History will judge favorably these efforts to protect Alaska and her wilderness.

The full text of the Los Angeles Times editorial entitled, "Every American's Heritage" is included here for the RECORD:

EVERY AMERICAN'S HERITAGE

President Carter has put a double lock on 56 million acres of primitive federal lands in Alaska to compel that state's politicians and developers to accept a reasonable plan for the management of one of the world's most magnificent scenic resources.

Carter's designation of the vast area as national monuments, off-limits to mineral exploration and logging, is without precedent. It is far greater in scope than the cumulative actions taken 75 years ago by President Theodore Roosevelt in creating the national park system.

Together with an additional 54 million

acres, withdrawn from development by Interior Secretary Cecil D. Andrus three weeks ago, the protection of federal lands in Alaska now covers 170,000 square miles, an area larger than California.

The President's executive order more than doubles the size of the national park system and adds more than 10 million acres to the national wildlife refuge system.

Carter was facing a deadline. Under the Alaska Native Claims Settlement Act of 1971, Congress had until Dec. 16 to assign permanent use designations to the massive tracts. But Democratic Sen. Mike Gravel was responsible for killing the necessary legislation earlier this year. In the absence of a law, many of the tracts would have become open for state claims or for mineral and oil exploration if Carter had done nothing. Andrus' earlier withdrawal of the full 110 million acres by administrative action would have been binding for only three years and would have become immediately vulnerable to challenge in the courts. But the President's action accords permanent protection to 56 million acres and only Congress can act to reduce or enlarge the preserves.

Predictably, Gravel said Carter's decision would cause grave economic dislocations within Alaska by foreclosing development of its natural resources. But that argument ignores the Administration's findings that 90 percent of high potential oil and gas areas and 70 percent of the most promising hard-rock mining areas would remain open for exploration.

The 56 million acres now under permanent protection as national monuments were chosen because of their unique scenic importance, and include wild rivers, lakes, rain forests, glaciers, tundra and the largest number of mountain peaks over 15,000 feet in North America.

The lands are also the habitat of many species of wildlife—caribou, wolves, waterfowl, mountain sheep, walruses and polar bears.

The areas in dispute were federal preserves long before Alaskan statehood and belong to all the people of this country. But Gravel and developmental interests continue to insist that the state should have an excessive control over their future.

Carter is amenable to compromise. He said he signed the executive order "in the hope that the 96th Congress will act promptly to pass Alaska lands legislation." It is probable however—and also desirable—that Administration agreement to appropriate development would affect only the 54 million acres under Andrus' temporary protection, although Congress has the authority—barring a presidential veto—to open up sections of the new national monuments as well.

Gravel is fighting a losing battle. If he returns to his obstructionist tactics at the next session, he will be threatening the very economic interests he claims to be defending.

The Administration is agreeable to reasonable resource development in tracts where it will not cause unacceptable ecological damage. But until there is legislation identifying those areas, no mining or lumbering can take place.

If Gravel thwarts congressional action again next year he—not the Administration—must accept the blame for the serious impact it will have on Alaska's economy.

FOREIGN AID—IT IS ALIVE AND WORKING IN ITALY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 10 minutes.

● Mr. ANNUNZIO. Mr. Speaker, we have all heard horror stories about the misuse of foreign aid. These stories range from corruption in foreign countries in connection with the handling of the foreign aid money to countries who accept our foreign aid and then do everything in their power to work against us, either politically or economically. In fact, almost all the stories that we hear lately concern the negative aspects of foreign aid.

Today, I am happy to report on a positive note concerning the foreign aid extended to Italy in connection with the 1976 earthquake.

For those who do not like to listen to or read long speeches, let me give you the bottom line first and then fill in the details.

The $50 million voted by the Congress for use in rebuilding the earthquake area in the Friuli region of Italy is being used in a most constructive manner. It is being used for schools and old people's homes, and the U.S. taxpayers are getting the full measure of their dollar investment. There is no scandal connected with the program and the Italian people are most grateful for this country's help.

Mr. Speaker, the results of the U.S. $50 million investment in the rebuilding of the earthquake region are truly a tribute to a small group of Americans working without publicity or plush surroundings, and the determination of the people in the earthquake area who would not give up but chose to remain and rebuild their homes and their lives.

On May 6 and again on September 15, 1976, the Friuli, one of Italy's proudest but least known to outsiders, region was ravished by earthquakes registering 6 plus on the Richter scale. The Friuli is a region of diverse geography centered on the cities of Udine and Pordenone in northeast Italy and reaching from the Adriatic to the borders of Austria and Yugoslavia. Its 1.2 million people carry on a long tradition of democracy, hard work, self-reliance and pride. The Friulani preserve their own identity even to the point of having their own language, Friulano, a combination of Celtic, Latin, and modern Italian, virtually incomprehensible to their non-Friuli countrymen.

The damage and casualties from the earthquake was spread out over an area of almost 2,000 square miles. When the horror was over there were 939 dead, 2,400 injured, 32,000 people left homeless and the homes of 150,000 people seriously damaged. Material damage was estimated at $3.3 billion and losses in earnings at another $1.6 billion.

Shortly after the first quake I introduced legislation which was cosponsored by 67 Members of this body, appropriating $25 million for relief and rehabilitation in the earthquake area. Of that amount $1 million was spent within a month for medicines and emergency supplies. The remaining $24 million was allocated for construction of four centers for the aging and eight schools.

The decision to proceed with this building program followed exhausted analysis of other possible uses of the funds. Hundreds of projects advocated by many different public and private groups were eliminated from consideration because their results were uncertain. Prefabricated structures, which would inevitably have disappointed the people of the Friuli because of their appearance and their surprisingly high cost, were avoided. Schools were an obvious priority for without them many parents of school-age children would have elected to leave the region.

Construction of centers for the aged was another natural priority given the large number of elderly and the difficulties which they faced in finding shelter. Many of the elderly saw their life's savings, invested in their houses, vanish and they could not, given their age, earn the necessary money to rebuild.

When the second tremor struck on September 15, 1976, all of the U.S. funds had been committed mainly for projects in the province of Udine which had borne the brunt of the first shock. No funds remained to offset the new losses which hit the province of Pordenone and Carnia with particular severity. Recognizing this, the Congress provided an additional $25 million in late 1977 as part of the 1978 Foreign Assistance Act. Most of these funds were quickly committed.

Because the initial funding program had been so successful it was decided to follow basically the same arrangement with the second appropriation. Thus, $22 million in new funds were earmarked for six additional schools and three more centers for the elderly. The remaining funds are being held in reserve to cover contingencies for both the first and second program.

When the funds were first approved by Congress the responsibility for dispensing the earthquake aid was given to the Agency for International Development which is headed by our former colleague, John Gilligan. He appointed Mr. Arturo G. Costantino to be Director of the Italian earthquake recovery program. It was Mr. Costantino who developed the program for concentrating money and energy into building schools and centers for the aging. And much of the credit for the success for the program must go to Mr. Costantino.

In late November of last year it was my privilege and honor to visit the earthquake area to officiate at ceremonies turning over the first school financed by the United States to the city of Maniago Libero. Most of the city's 10,500 residents attended the ribbon-cutting ceremony and everyone from Mayor Domenico Pitton to the schoolchildren themselves expressed gratitude to the United States for its help in rebuilding their town.

At the dedication ceremonies I emphasized the long friendship of the United States and Italy, the large number of Italian immigrants who have contributed so much to make the United States what it is today and the pride I shared with the people of Maniago that we had together built such a fine school.

Later I visited other construction sites and had an opportunity to meet with the mayor of Gemona, a city virtually wiped out by the two earthquakes. Although many of the structures of the town were destroyed, the spirit of the town was best

typified by its mayor, Ivano Benvenuti, who told me that his town would rebuild and carry on.

We also visited Osoppo where the town's mayor, Valentino Trombetta, showed me the large school being built there with U.S. funds.

I was not able to visit all of the building sites, but I did visit AID headquarters in the earthquake region and saw scale models of all of the projects. Every one of the projects is designed to blend in with local architecture. And the leaders in each community were given an opportunity to help in planning the structures.

I might add that the AID headquarters in the earthquake region are themselves an important story. The offices are small and spartan by modern standards, and are located on the outskirts of Udine in a factory operated by an Italian subsidiary of the Carnation Milk Co. which wanted to contribute to the American effort. The entire office setup costs the American taxpayers only $1.

It might be assumed that because of the large number of dollars involved in this program, and the vastness of the undertaking that a huge staff is required, just the opposite is true. The AID program in the earthquake area consists of only four professionals and a secretary. Working with Mr. Costantino are Mike Vogel, formerly AID's chief, the Office of Engineering; Tullio A. Biagini, who is responsible for liaison with the many townships and Italian private and public agencies involved in the program; and John Saccheri, an engineer who serves as liaison for the architects and construction firms involved in the projects.

Mr. Speaker, in closing let me point out that in many countries visiting Americans are greeted with "Yankee Go Home" signs. In the earthquake region of Italy, however, I saw an entirely different type sign. In the center of every town where a U.S. project was underway was a huge sign written in both English and Italian featuring the Italian and American flag. The signs, which in many cases were 8 feet tall, expressed gratitude to the United States for its help and compassion. Perhaps in a much simpler language the sign would say, "Yankee, Thank You Very Much."●

HONORING MARTIN LUTHER KING, JR.

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today is the 50th anniversary of the birth of the late Dr. Martin Luther King, Jr. As one who worked on civil rights cases in the early 1960's, his cause has a special meaning to me. His tireless, well-organized, and inspiring campaigns to obtain equal rights for black Americans and to eliminate poverty and social injustice still serve as a model to all of us today in our search for peace and harmony among ourselves and among people of all nations.

He brought Americans together to work side by side for social reform and encouraged others, such as women's groups, to fight for equal rights.

Today, his birthday, is a fitting time for Congress and the entire country not only to honor him with words, but also to reaffirm by deeds our commitment to his dream for a just, decent America.●

NONDISCRIMINATION IN INSURANCE ACT OF 1979

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

● Mr. DINGELL. Mr. Speaker, as this new 96th Congress convenes, I invite all Members of the House to cosponsor the bill I introduced today, "Nondiscrimination in Insurance Act of 1979."

The single objective of this bill is to prohibit insurance companies from discriminating against applicants for insurance and persons who are insured, on the basis of race, color, religion, sex, or national origin.

I. DESCRIPTION OF THE BILL

I drafted this bill along the pattern of three existing laws which now prohibit such kinds of discrimination in—

Employment: Title VII, Civil Rights Act of 1964 (42 U.S.C. 2000e);

Housing: Title VIII, Civil Rights Act of 1968 (42 U.S.C. 3601);

Credit: Equal Credit Opportunity Act (15 U.S.C. 1691).

Under this bill, a person alleging that an insurance company has committed an unlawful discriminatory action—an action specified in the bill on the basis of race, color, religion, sex, or national origin—must first file the charge with the appropriate State agency, if the State has a law prohibiting such discriminatory action and an agency to administer that law. If the State has no such law or agency, or if the State agency doesn't resolve the charge, the complainant must file the charge with the Federal Trade Commission (FTC). If the FTC fails to resolve the charge, either the FTC or the complainant may then institute a court action. The bill provides only civil sanctions—injunctive and monetary—it has no criminal sanctions—and will apply only to the future and not be retroactive to periods prior to its effective date.

II. WHY THIS BILL SHOULD BE ENACTED

The business of insurance is rife with discrimination—against blacks in connection with accident and casualty and health insurance—and against both men and women, in different ways, in life insurance and annuities. The insurance industry (which formerly discriminated quite openly against blacks on the grounds that blacks have higher mortality rates, were more irresponsible or negligent, or were otherwise economically burdensome to insure) no longer makes such arguments, but nevertheless continues to discriminate against blacks in more subtle ways. However, sex discrimination in the insurance industry is still blatant and widespread. It is time to end such kinds of discrimination in insurance.

III. THE INSURANCE INDUSTRY'S ARGUMENTS FOR CONTINUED SEX DISCRIMINATION ARE UNJUSTIFIED

The insurance industry argues that sex discrimination is justified because "women as a group have longer life expectancy than men as a group." The same justification can be made for discrimination against blacks because white persons as a group have a longer life expectancy than black persons as a group. However, such discrimination is now, and should be, totally rejected.

Furthermore, that justification is based on a distortion of the "average" woman and the "average" man. The fact is that most men and women can be paired at death age. For example, the Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF) filed figures in the Supreme Court Manhart case (discussed below) concerning the survival experience of 100,000 males and 100,000 females retiring at age 65. TIAA–CREF's figures showed 86,193 women had the same death age as 86,193 men, 13,807 more males than females died at ages 66–80, and 13,807 more females than males died at ages 81–100.

Thus, because less than 14 percent of the women did not match the death ages of the men, all women receive lesser monthly retirement benefits than all the men, and all men receive more monthly retirement benefits than all the women. A reverse type of discrimination occurs in life insurance lump-sum payments, that is, because less than 14 percent of the men did not match the death ages of the women, all men pay higher premiums for life insurance than women, and in those cases where the men elected joint and survivor benefit plans, the men suffered a greater reduction in their annuities than all women annuitants who elected the same plan.

The insurance industry computes life insurance and annuity rates and benefits almost exclusively on the basis of sex, and disregards other more accurate classification criteria, such as smoking habits, physical condition, geographic location, family health history, recreational and occupational activities, et cetera.

Recent court decisions involving suits by employees and retirees against employers have ruled that title VII of the Civil Rights Act of 1964, which prohibits sex discrimination in employment, prevents the use of sex-based differentials in the rates and benefits under annuity and pension plans, including those operated or supported by insurance companies for employers. On April 25, 1978, the U.S. Supreme Court squarely rejected the insurance industry's argument that group discriminatory treatment as to insurance rates and pension benefits can be justified on the basis of actuarial tables indicating longer life expectancy for a group (females, or white persons) than for another group (males, or black persons). *Los Angeles Dept. of Water & Power* v. *Manhart*, 435

U.S. 702, 98 Sup. Ct. 1370, 55 L. Ed. 2d 657. This case involved an employer-operated pension plan requiring women employees to make greater payments than men employees to the pension plan. The Supreme Court ruled that the title VII statutory prohibition against sex discrimination focuses "on the individual" and therefore "precludes treatment of individuals as simply components of a racial, religious, sexual, or national class . . . Even a true generalization about the class is an insufficient reason for [treating differently] an individual to whom the generalization does not apply" because "there is no assurance that any individual woman [or man] . . . will actually fit the generalization . . ." The Supreme Court noted: "Many women do not live as long as the average man and many men outlive the average woman."

On December 18, 1978, the U.S. Court of Appeals, First Circuit, ruled that the same reasoning prohibits lesser monthly annuity payments to women than to men who had contributed equal amounts to the pension fund administered by the insurance company (TIAA-CREF). *Equal Employment Opportunity Commission* v. *Colby College and TIAA-CREF* (No. 78-1010).

It is also significant that two major government agencies interpret existing laws and Executive orders which prohibit race and sex discrimination in employment as prohibiting sex differentiation among employees in connection with pensions, insurance, et cetera, which are fringe benefits in their employment relations. This has been the clear cut position of the Equal Employment Opportunity Commission since at least 1972 in its administration of title VII of the Civil Rights Act of 1964. And on August 25, 1978, the Labor Department which has heretofore followed an ambiguous "either/or" test in administering the Equal Pay Act of 1963 and Executive Orders 11246 and 11375, announced that it intends to adopt the same test as that of the Equal Employment Opportunity Commission concerning sex differentiated pensions and insurance provided as fringe benefits in employment. (43 Fed. Reg. 38029 and 38057.)

Making the nondiscrimination rule applicable to all insurance, whether or not employment related, would not harm the insurance industry. It can easily develop nonsex-based rates and payments by adjustments to reflect the mortality and disability experience of the total population rather than separately for men and for women. Indeed, the very purpose of insurance is to spread risks, not to impose discriminations not warranted by the individual's own circumstances.

In any event, sex discrimination, like race discrimination, should be abolished as a matter of national policy.

I invite all Members to cosponsor this bill. I intend, after a reasonable time for responses, to ask that my bill be reprinted to list all cosponsors.●

WILLIAM CRAWFORD GORGAS: THE HEALTH SCIENTIST WHO MADE CONSTRUCTION OF THE PANAMA CANAL POSSIBLE

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

● Mr. FLOOD. Mr. Speaker, the Capital City of our great Nation has many organizations in various fields of science, among them the Gorgas Memorial Institute of Tropical and Preventive Medicine, of which Dr. Jack W. Millar is president.

This institution, established in 1921 at the suggestion of President Porras of Panama, was named in honor of Maj. Gen. William Crawford Gorgas, former Chief Health Officer of the U.S. Canal Zone (1904–13), and member of the U.S. Isthmian Canal Commission, 1907–13, whose leadership and work transformed the then disease ridden Isthmus into the model of tropical health and sanitation that made construction of the Panama Canal possible.

Since 1929 the Gorgas Institute has supervised the operation in Panama City, Republic of Panama, of the Gorgas Memorial Laboratory, a biomedical facility, which performs research and training related to diseases of the tropics, their causes and prevention. It also has an extensive research library on these subjects available for use by scholars and investigators of all nations, particularly those of the Western Hemisphere.

On the evening of September 26, 1978, at the Pan American Union in Washington, D.C., the Institute celebrated the 50th anniversary of the founding of the Gorgas Memorial Laboratory in an outstanding program before a distinguished gathering that included many eminent authorities in tropical diseases and related subjects, with Dr. Millar presiding.

As a preliminary, the U.S. Navy Band Sea Chanters gave an impressive rendition of "Songs of the Sea." The invocation was by the Very Reverend Francis B. Sayre, Jr., associate director of the Woodrow Wilson International Center for Scholars.

Mr. Speaker, it was my privilege to have delivered the opening address on that occasion in which I attempted to place the life and achievements of Gorgas into historical perspective.

The scientific address that followed was by the Nobel Laureate, Thomas H. Weller, M.D., professor of tropical health, Harvard School of Public Health, who gave the first lecture in the institute's newly inaugurated Fred L. Soper Lecture Series, entitled "The Field of Tropical Medicine and Research in the Field: Perfectionism at the End of the Line."

Dr. Weller's illuminating paper will be published as an early issue of the American Journal of Tropical Medicine and Hygiene. Copies will be available upon request at the Gorgas Memorial Institute, 2007 I St., NW., Washington, D.C. 20006.

Since 1914 the United States has performed the vital functions of maintaining, operating, sanitating, and protecting the Panama Canal. Of these tasks the importance of sanitation cannot be overstressed for diseases in nearby jungles and rain forests are potential endemic dangers. Their reservoirs and the animals that live in them and the diseases are transmitted by insects, most significantly mosquitoes for yellow fever, malaria, and dengue fever.

During recent voluminous Panama Canal debates in the Senate, the health and sanitation angles of the canal question did not receive their due attention and were largely ignored. The facts involved will no doubt raise these questions: In the event the United States abdicates its control over the Canal Zone who will perform the vital function of keeping sanitation at its past high standards of effectiveness? And what will be consequences of failure to much of the Western Hemisphere, including Central America and the United States? The situations that would be presented cannot be ignored with impunity.

Mr. Speaker, I quote my September 26, 1978, address as part of my remarks:

WILLIAM CRAWFORD GORGAS: A TRIBUTE

(By Representative DANIEL J. FLOOD)

President Millar, Members of the Board of Directors and Advisory Scientific Board of the Gorgas Memorial Institute, Distinguished Guests, Ladies and Gentlemen:

As one whose interest in the problems of the Isthmus of Panama was inspired in early youth as the result of occasional visits in my grandfather's home in Hazleton, Pennsylvania, by former President Theodore Roosevelt, I deem it both an honor and privilege to be a special guest of the scientific organization named in honor of the great medical leader whose contributions to health and sanitation are matters of international fame—General William Crawford Gorgas.

It was my fortune to have spent many hours listening to the former President telling about some of his problems in acquiring the U.S. Canal Zone and launching the Panama Canal. That great American leader naturally became my youthful ideal and inspired in me an enduring interest in the canal subject that has increased over the years.

To paraphrase the late Dr. Franklin Martin, a close associate of General Gorgas and a former president of this institute, I may say that to try to describe the distinguished career of General Gorgas and its consequences is to attempt the infinite. I shall not make that effort for the details of his brilliant achievements are historic and are carried in the principal libraries of the world.

The Gorgas Memorial Laboratory in Panama City, R.P., is located in one of the most oppressive climates as well as highly strategic areas of the western hemisphere. Its contributions in scientific knowledge under the direction of the Gorgas Memorial Institute have made it an indispensable rampart for protecting the countries north of the Panama Canal, including the United States, against the deadly perils of tropical disease epidemics of which there have been a number of tragic examples in the largest seaports of the United States.

The widely disseminated scientific reports of the institute and laboratory concerning

the transmission of tropical diseases were key factors in safeguarding the health and lives of the members of our Armed Forces serving in the tropical islands of the Southwest Pacific during World War II, thus, they were vital contributions to victory in that hard fought struggle.

Today, this splendid organization with its laboratory is spreading the benefits of their scientific endeavors far and wide, attaining universal acclaim. Its expanding library at the Gorgas Memorial Laboratory has become a key central American medical reference center, specializing on the diseases of the tropics, their control and prevention. Its visiting scientists and trainees obtain knowledge and disciplined judgment that can only be developed from experience in a tropical setting such as that at Panama.

Were General Gorgas to return to earth today what would he find?

He would see that the lessons he learned at Havana and applied so efficiently on the isthmus have not been forgotten but have been greatly augmented.

He would encounter increased recognition of the fact that it was his work in health and sanitation in the Canal Zone that made construcion of the Panama Canal possible.

He would see in Panama City a laboratory the work of which has made it one of world importance, especially for the western hemisphere.

He would find a great hospital in the Canal Zone at Ancon named in his honor still following along the scientific paths that he laid out.

He would see his name permanently enshrined in the hall of fame for great Americans.

He would find in the congress a strong support for this vital organization—a support that traces back to former congressman Maurice H. Thatcher, an associate of General Gorgas on the Isthmian Canal Commission that supervised the construction of the Panama Canal and Governor of the Canal Zone, 1910–13 and, finally, the honorary president of the Gorgas Memorial Institute to which he devoted so much of his time and talents.

No better tribute has been paid to General Gorgas than this poem by Governor Thatcher:

GORGAS

God's own Samaritan, intrepid, true;
With Christly sympathy and love for all,
And wisely skilled,—he wrote health's page anew,
And lifted from the earth its foulest pall.
Where pestilence and plague took direst toll,
His magic touch brought life and strength and joy;
In Isthmian realms, where rival oceans roll,
His blessed arts for good he did employ;
And lo! The link that joins the waters twain
(The way to Ind, thru all the age hid!)
Grew into form, and stretched from main to main,
By reason of the deathless work he did.—
And more than this—the wondrous deeds he wrought,
The texts became whereby the world is taught!

(October 14, 1936) ●

LEGISLATION TO STRENGTHEN THE GENERAL ACCOUNTING OFFICE

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

● Mr. BROOKS. Mr. Speaker, today I am introducing a bill which will strengthen Congress monitoring of Federal agency operations and programs, by strengthening the General Accounting Office. The GAO serves an essential role as an investigative and auditing arm of Congress. We can discharge our oversight responsibilities better by insuring that the GAO has the ability to conduct thorough and effective investigations of executive branch activities. Several provisions of this bill work toward that goal.

First, the bill provides GAO with additional authority to audit unvouchered accounts, which can be spent solely on the signature of the President or some other designated official. Second, it will strengthen the Office's existing authority to enforce access to the material it needs to audit executive agency programs. Third, it also will provide a new mechanism for appointment of the Comptroller General and his Deputy, insuring a congressional voice in the future selection of these officials and underscoring the GAO's role as the investigative agent of the Congress. Fourth, the bill will limit the delays GAO experiences in sending its draft reports to executive agencies for their comments. Finally, another provision will bring the accounting and audit procedures of the Inspectors General in the Departments of Health, Education, and Welfare and Energy into conformity with the Comptroller General's guidelines.

In the last Congress, the House unanimously passed a measure containing most of these provisions, but it died in the closing hours of the session in the other body. I hope that this bill will be approved promptly by both Houses of Congress early in this session. ●

MONETARY CONTROL BILL OF 1979 CAN AID IN INFLATION BATTLE

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, I am today introducing the monetary control bill of 1979, designed to help the Federal Reserve in its battle against inflation by improving its ability to control the money supply.

Continuing doubts about the ability of the Federal Reserve to reduce the rate of growth of the money supply without bringing on a recession contributes heavily to present nervousness about the economy. With inflation running nearly 10 percent, we must waste no time in arming the Federal Reserve with the best weapons available for improving management of the money supply.

The bill would improve monetary control by arresting the erosion of deposits over which the Federal Reserve has control. These reserves are now dwindling as banks pull out of the System because of the cost of membership. The Federal Reserve's position is that reserves are necessary for good monetary control. To wit: When the Fed issues a new dollar in reserves to the banking system, by buying Government securities or through a discount loan to a bank, the new dollar can be loaned out, redeposited in another bank, and loaned out again in an endless chain of uncontrolled deposit expansion, unless part of that dollar is tied up in required reserves each time it is deposited.

The monetary control bill of 1979 would improve management of the Nation's money supply in two ways additional to meeting the Fed's position on the requirement of reserves noted above:

First. It would authorize the Federal Reserve to obtain more timely and complete information on deposits in the Nation's banks and savings institutions. Currently, only Federal Reserve member banks—38 percent of the Nation's banks with 72 percent of the deposits—and no thrift institutions report, leaving the Fed with woefully inadequate information on the size of the money supply at any given time.

Second. It replaces a hodgepodge of reserve rates with more uniform rates. Currently, member banks are subject to reserve rates ranging from 7 to 16.25 percent on checking accounts, depending upon the size of the bank; between 0 and 3 percent on savings deposits; and between 0 and 6 percent on longer term certificates of deposit. Thus, when the Federal Reserve takes action to raise or lower reserves, it cannot accurately predict the effect on the money supply because the money is shifting around among deposits with various reserve rates.

Under the proposed legislation, reserve rates would be set at 9.5 percent for checking accounts—including savings accounts from which funds can be drawn by check or by automatic transfer to checking accounts; 3 percent on savings deposits; 1 percent on long-term certificates of deposit; and 8 percent on short-term certificates of deposit. The Federal Reserve could alter these rates within limited ranges, but only for the purpose of monetary control.

The bill would not only fight inflation but would keep the Federal deficit under control. Some proposals for attacking the problem of monetary control and eroding Federal Reserve membership would have induced banks to "stay with the Fed" by paying interest on reserves. Such interest payments could amount to as much as several billion dollars annually to the taxpayer, and an addition to the Federal deficit. This bill would restrict the cost to the Treasury and the deficit to approximately $172 million a year, according to administration estimates—a reasonable price to pay.

The bill would also eliminate competitive inequities between Federal Reserve member banks and other banks. Currently, the burden of maintaining reserves at the Federal Reserve—idle funds on which the banks earn no interest—is borne entirely by banks that are members of the Federal Reserve System. Under the proposed legislation, all banks with more than $50 million in checking account deposits or $50 million in time and savings deposits would be subject to reserve requirements. The $50 million exemptions will be indexed to assure that banks exempted by this legislation from having to hold reserves will by and large

remain exempt. However, since vault cash would count toward meeting reserve requirements, most banks with less than $200 million in deposits would have no need to post reserves with the Federal Reserve. Some 232 large banks which are not now members would have to begin posting reserves. However, a great many more small- and medium-sized member banks—nearly 4,664—would be freed of the present need to post reserves.

In summary, 95 percent of the Nation's 14,618 banks would be completely free of the need to hold reserves with the Federal Reserve.

At the same time, member banks which would continue to have to hold reserves would have their reserve requirements substantially reduced. Instead of a maximum of 16.25 percent on checking account deposits, they would have to hold only 9.5 percent. A typical $300 million-deposit bank, for instance, would have its reserve requirements reduced by some $7 million, money which it could put out in loans.

All commercial banks would be entitled to borrow from the Federal Reserve, whether members or not. Thrift institutions which have transactions accounts—savings accounts on which checks can be drawn—also would be entitled to borrow from the Federal Reserve. The Federal Reserve, which now provides free services such as check clearing to member banks, would begin charging for such services.

The new bill contains three changes from a substantially similar measure which passed the House Banking Committee September 19, 1978: First, it includes automatic transfer accounts at commercial banks in the same category of reserve requirements as checking accounts, since both are part of the Nation's basic money supply; second, it also includes in this category savings accounts at thrift institutions on which checks can be written, since these are also part of the basic money supply (a change which, beause of the $50 million exemption, affects few if any thrift institutions, but recognizes the potential growth of such accounts); and third, it provides lower reserves on passbook savings accounts, since these do not represent "ready money," offset by slightly higher ratios on checking accounts. This keeps reserve requirements on about 68 percent of the Nation's bank deposits.

The Federal Reserve supports the basic principles of the bill, but would prefer a somewhat different approach than exempting the first $50 million of demand deposits and $50 million of time deposits from any reserve requirement. Instead, the Fed would prefer that there be no exemption (except perhaps for the smallest institutions) and that the Fed would pay interest on the amounts below $50 million in each category. It would pay interest at the same rate it earns on its portfolio, currently 6.75 percent. The Fed's proposal requires serious consideration, and the subject will be addressed at forthcoming hearings.

Hearings on the monetary control bill will begin immediately, with representatives of the bank regulatory agencies testifying first. The witnesses are:

9:30 a.m., Monday, January 22, 1979: Robert Carswell, Deputy Secretary, Department of the Treasury.

2 p.m., Tuesday, January 23, 1979: Robert McKinney, Chairman, Federal Home Loan Bank Board.

9 a.m., Wednesday, January 24, 1979: G. William Miller, Chairman, Board of Governors, Federal Reserve System.

The Comptroller of the Currency, Federal Deposit Insurance Corporation and National Credit Union Administration will submit written reports. Representatives of the trade associations affected will testify in the next few weeks.

Others wishing to testify should write to the staff director of the House Banking, Finance and Urban Affairs Committee, Paul Nelson, 2129 Rayburn House Office Building, Washington, D.C. 20515, prior to January 26, 1979.●

RELIGIOUS AND CHARITABLE DONORS' TAX JUSTICE ACT OF 1979—PROVIDING A TAX CREDIT FOR CHARITABLE CONTRIBUTIONS

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

● Mr. OTTINGER. Mr. Speaker, according to section 170 of the Internal Revenue Code of 1954, an individual is allowed to claim as an itemized deduction the amount of charitable contributions to religious, educational, public or scientific organizations with a maximum allowable deduction of 50 percent of adjusted gross income. Today, I am introducing a bill that would allow individuals to elect a nonrefundable tax credit of $500 ($1,000 for a joint return) in lieu of this deduction.

The reasons for the bill are clear: to provide greater equity in our current tax system, to maintain the Nation's nonprofit sector of the economy, and to insure continued private choice in gift giving. It has long seemed to me highly unfair that a person of means can get a tax deduction for his charitable giving, while the low- and middle-income citizens are discriminated against so systematically in our Tax Code and are given no incentive for charitable gifts. This legislation is designed to overcome that inequity.

An additonal reason for this legislation is to give relief that is clearly constitutional to those interested in alleviating the financial pressures on private and parochial education and the parents who send their children to private and parochial schools. The tuition tax credit, which I have supported in the past, is the most direct aid to them, but this device is of very doubtful constitutionality and, at any rate, probably cannot pass over the President's certain veto. The charitable tax credit provides a constitutional avenue for those who choose to direct their charitable giving to private and parochial schools to do so, helping resolve the financial plight of these institutions and relieving the pressures that lead to higher tuition. Again, a question of equity is involved since wealthy taxpayers can already take tax deductions for gifts to such schools or even directly to their churches and synagogues, while this advantage is denied ordinary taxpayers. Accordingly, this may provide a more effective, legal fair, and acceptable way of addressing the private and parochial school problem.

Under present law, only taxpayers who itemize their deductions accrue any tax deduction benefits; no allowance for charitable giving is provided taxpayers who claim the standard deduction and no meaningful provision is made for middle-income taxpayers' charitable contributions. According to the National Committee for Responsive Philanthropy, "half—49 percent—of the Government's 'tax expenditures' for charitable contributions are made to reduce the tax bills of a tiny 1.4 percent of the United States' most affluent taxpayers—while only 14 percent of the Government's 'tax expenditures' in this category are made to induce 83.5 percent of the United States' lower and average income taxpayers to continue private charitable moneys."

The chart follows:

DISTRIBUTION OF FEDERAL TAX INCENTIVES FOR CHARITABLE CONTRIBUTIONS, BY EXPANDED INCOME CLASS, SELECTED TAX EXPENDITURES AFFECTING INDIVIDUALS, FISCAL YEAR 1977

Tax expenditures for charitable contributions	By expanded income class [1] (millions of dollars)		
	0–$20,000	$20,000–$50,000	$50,000 and up
For education	19	121	385
Percent	4	23	73
For health	70	255	465
Percent	9	32	59
For all other	657	1,578	1,700
Percent	17	40	43
Totals	746	1,954	2,550
Percent	14	37	49
Proportion of 1977 individual tax returns	83.5	15.1	1.4

[1] Source: U.S. Treasury Department.

Once it could have been argued that the standard deduction is a lump sum allowance, in lieu of itemizing, and more than compensates for amounts which could otherwise be itemized; thus no inequity exists. This argument is no longer viable especially in light of the current, seemingly endless, inflationary spiral plaguing our economy. Indeed, the recent campaign to encourage more taxpayers to opt for the standard deduction for the sakes of simplification and alleged monetary gain is, at the same time, resulting in denying more taxpayers tax deductions for their charitable contributions. In essence, the charitable deduction is emerging as another "rich man's loophole."

The inequitable nature of the current charitable deduction policy goes beyond the simple, unfair distinction between those who itemize and those who do not. By virtue of our marginal tax rate structure, the Federal subsidy of taxpayers' contributions increases as taxable incomes rise. A deduction reduces the amount of income subject to tax. Therefore, under the current procedure, for example, a family of four, filing a joint return with an income of $16,500—approximately the income of the average American family according to the most recent Government study—would save 22 cents for every $1 given to charity,

whereas a person in the highest tax bracket would save 70 cents for every $1 contributed. The inequity is blatant. For these reasons alone, the mere extension of the charitable deduction to all taxpayers, regardless of whether or not they itemize, would be inadequate to establish a more equitable tax system. This proposal, put forth in the 95th Congress, although a step in the right direction, would still skew benefits increasingly in favor of those in the higher income brackets.

A tax credit, on the other hand, is subtracted from actual taxes already due. A tax credit could be claimed by all taxpayers, regardless of whether they itemize; and all taxpayers claiming the credit would accrue equal tax benefits. Under my plan, all taxpayers claiming the credit would receive a sum equal to at least 50 percent of their charitable contributions, with a maximum credit of $1,000 or their total liability, whichever is less.

With specific regard to charitable gift giving, complete substitution of the deduction with a credit would create other inequities while putting a great strain on general revenues. However, mixing the two tax policy tools insures optimum advantages for the donors, the receiving nonprofit organizations, and the Federal Government. Let me cite the following:

According to a Department of Treasury report entitled "Charitable Contributions under the Federal Individual Income Tax System: Alternative Policy Options," complete substitution of the tax credit for a charitable deduction would not discriminate among donors on the basis of income, but would discriminate among donors of cash and donors of their own services. For example, when a person in the 60-percent tax bracket contributes $1,000 of his earnings to charity, the net cost to him under deductibility is $400; similarly, if he earns $1,000 less in order to use his time to give his services to charity, the net cost is also $400. Under a 30-percent tax credit, however, his net cost would be $700 in the first instance, but only $400 in the second. No one will argue that cash gifts are necessarily more beneficial to charities than gifts of time and service. By allowing taxpayers to opt for a deduction or a credit, they will not be discouraged from providing their services or forced to decide between cash gifts or nothing.

According to the same Department of Treasury report, eliminating the deduction would have some important effects on the level and composition of private philanthropic giving. The following chart enumerates the various affects on different types of charitable institutions:

[Figures: Percentage decline in charitable contributions*]

Donee category:	
Religion	22
Education	48
Hospitals	46
Health and welfare	27
Other	33
Total giving	26

* Simulations are for 1970 and are based on the Treasury tax model for that year. Included in the "Other" category are libraries, museums, musical, literary and scientific organizations, and zoos.

However, shifting from pure deductibility to an optional tax credit would have the following effects:

TABLE 7.—EFFECTS OF OPTIONAL 30 PERCENT AND 50 PERCENT TAX CREDITS, FOR ALL TAXPAYERS AND FOR ITEMIZERS ONLY, ON INCOME TAX REVENUES AND CHARITABLE CONTRIBUTIONS, 1970

[In billions of dollars]

Optional tax credit (percent)	Income tax revenues	Charitable contributions		Percentage increase in contributions to:	
		Amount	Percent	Hospitals and education	Religion and health and welfare
Credit Granted to All Taxpayers					
30	−$2.96	$3.45	20	8	19–22
50	−11.41	13.26	77	42–44	76–83
Credit Granted to Itemizers Only					
30	−1.31	1.53	9	4	9–10
50	−7.17	8.38	48	32–34	50–52

Source: Feldstein simulations based on the 1970 Treasury Tax File.

In other words, complete elimination of the charitable deduction could have the effect of severely reducing contributions to education and hospitals. However, as the chart above demonstrates, the optional tax credit of 50 percent would increase giving to all major groups of charity—by 30 to 34 percent for hospitals and education and by 74 to 83 percent for health and welfare organizations and religion.

It is true that the cost to general revenues of providing an optional tax credit for charitable contributions could be considerable. However, most of the additional cost could be obviated by installing a floor whereby an individual could not opt for a tax credit for below a certain percentage of one's adjusted gross income; the floor would be a function of a taxpayer's past and present record of charitable giving and income. In my opinion, the advantages of the tax credit far outweigh the alleged disadvantages.

The nonprofit sector of our political economy fills a void in our system that business and government, by virtue of their vested interests and missions, cannot even attempt to fill. I fully agree with the judgment of the Filer Commission on Private Philanthropy and Public Needs expressed in its report of 1975:

Government incentives to giving are appropriate because giving provides an important mode of citizen expression. By contributing to non-profit organizations, a citizen says with his money what needs should be met, what objectives pursued, what values served. Every contributor exercises, in a profound sense, a form of self-government that parallels, complements and enriches the democratic process itself.

In addition, as the National Committee for Responsive Philanthropy reports:

As the standard deduction has been utilized by more and more taxpayers over the years, the percentage of taxpayers who qualify to itemize charitable contributions has substantially decreased from 48 percent in 1970 to 23 percent currently.

In other words, as the deductions become available to a smaller and smaller group of affluent taxpayers, they not only accrue the vast majority of the benefits, but also they decide the kinds of nonprofit organizations supported. "Philanthropic resources will tend toward institutions and causes favored by the rich," as stated by the editor and principal writer of the Filer Commission report, Wade Green, in an article which appeared in the New York Times last year.

An optional tax credit for charitable contributions, such as that I am proposing today, would provide the additional encouragement to charitable gift giving vital to maintaining the nonprofit sector. The magnitude of the increase in charitable giving is similar to an estimate by the Harvard Institute of Economic Research that a 30-percent optional Federal tax credit for charitable contributions—with no maximum limit—would increase total giving by 20 percent.

While my optional tax credit for charitable contributions bill does not offer solutions to all the inequities in the present system, it does address, in an optimum way, some of the major difficulties in maintaining the Nation's nonprofit sector, insuring continued broad-based private choice in gift giving and doing both in the most equitable manner.

H.R. —

A bill to amend the Internal Revenue Code of 1954 to allow individuals to elect, in lieu of the deduction for charitable contributions, a credit against income tax for 50 percent of such contributions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Religious and Charitable Donors' Tax Justice Act of 1979".

SEC. 2. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"SEC. 44D. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

"(a) GENERAL RULE.—In the case of an individual who elects to have this section apply for the taxable year, there shall be allowed as a credt against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the aggregate qualified charitable contributions paid during the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) to a taxpayer for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for the taxable year shall not exceed the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section (other than the credits allowable by sections 31, 39, and 43).

"(c) QUALIFIED CHARITABLE CONTRIBUTION DEFINED.—The term 'qualified charitable contribution' means any amount which would (but for subsection (d)) be allowable as a deduction under section 170 (determined without regard to subsection (b) of such section).

"(d) DENIAL OF DEDUCTION.—Any charitable contribution paid by the taxpayer during a taxable year for which this section applies shall not be taken into account by

the taxpayer under section 170 (relating to charitable, etc., contributions and gifts) for any taxable year.

"(e) ELECTION.—The election under subsection (a) shall be made at such time and in such manner as the Secretary may by regulations prescribe."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for charitable, etc., contributions and gifts."

(2) Subsection (h) of section 170 of such Code (relating to disallowance of deduction in certain cases) is amended to read as follows:

"(h) DISALLOWANCE OF DEDUCTIONS IN CERTAIN CASES.—

"(1) For disallowance of deductions for contributions paid during taxable years for which credit is elected for such contributions, see section 44D(d)."

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "44B and 44C" and inserting in lieu thereof "44B, 44C, and 44D".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1978.●

LEGISLATION TO PRESERVE INTENT OF CONGRESS WITH RESPECT TO FEDERAL FUNDS FOR INTERSTATE HIGHWAY PROJECTS

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

● Mr. HOWARD. Mr. Speaker, I am introducing a bill today to preserve the intent of Congress with respect to expenditures of Federal funds for Interstate highway projects which are terminated.

Specifically, it is intended to clarify the fact that the Department of Transportation lacks statutory authority for its new regulations exempting States from requirements to reimburse the Treasury for Federal expenditures made in connection with certain projects.

This issue is not new to Members who served in the 95th Congress. Last year, with enactment of Public Law 95–599, the Surface Transportation Assistance Act of 1978, we relieved the States of payback requirements provided that the rights-of-way originally acquired for the interstate project later terminated were converted to such alternative uses as public conservation or recreation areas, transportation projects or other purposes in the public interest.

But we carefully limited the provision, contained in section 107(f), to those projects which had already been withdrawn prior to the date of enactment of the act, November 6, 1978.

Less than 2 weeks later, ignoring existing law, long-standing policy and the explicit statements of intent by the managers of the 1978 act, DOT chose to rely instead on an OMB circular dealing with disposition of surplus property and rushed out final regulations prohibiting payback in the case of projects withdrawn in the future.

I will not rehash the issue; it has been debated for years, and the Congress has acted. This bill should be passed promptly in defense of sound, congressionally enacted policy and of the principle that the laws of the United States are written by the Congress of the United States and not the Department of Transportation or the Office of Management and Budget.

I urge Members to support the bill, which I suspect may reach the floor pretty early in this session.●

LEGISLATION ASSURING THAT VA REMAIN THE SINGLE ONE-STOP SERVICE AGENCY FOR VETERANS

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

● Mr. ROBERTS. Mr. Speaker, today, I am introducing a bill, along with the distinguished ranking minority member of the full committee, the Honorable JOHN PAUL HAMMERSCHMIDT of Arkansas, which would assure that the Veterans' Administration remain the single one-stop service agency for veterans and their survivors.

There has been what seems to me to be a concentrated effort on the part of the General Services Administration to force the Administrator of Veterans' Affairs to transfer operations of the Veterans' Administration Records Processing Center at St. Louis, along with millions of active and potential claims files, to the jurisdiction of that agency. The bill is a very simple one. It would require that the Administrator maintain jurisdiction over and custody of all veterans records which are first, active or second, can reasonably be assumed will become active. It would in no way change the present operation of the agency and would permit continued transfer of closed files to the various Federal record centers for storage once further veterans benefits were no longer payable.

This is important since the Veterans' Administration has a unique ability to render the services necessary for the folders now at the Records Processing Center. These folders have been defined as the less active folders, yet hundreds of calls are made daily requiring reference to the folders to establish entitlement to urgently needed hospital care, eligibility for burial in national cemeteries, and expedited transfer of folders to regional offices for processing of claims for new or increased benefits.

Mr. Speaker, at the time this records processing center was established in the mid-1950's and the records were for the first time permanently transferred away from local regional offices, the national veterans' service organizations were promised that any needed information would only be a telephone call away from a responsible and responsive VA employee. To give custody of these records to an agency which, in the past, has not been known for its efficiency and responsiveness, would not only break faith with commitments made in the past but would be a giant step toward destruction of the "one-stop agency" concept long recognized by the Congress and cherished by all concerned with service to this Nation's veterans.

I have monitored the progress of the talks between the Administrator and the General Services Administration, and I must tell you that I am not satisfied with the discussions thus far. If we do not have a firm commitment from the Administrator soon, I can assure the Members of the House that the Committee on Veterans' Affairs will report this measure to the House without delay. This matter is vitally important to veterans and their dependents who must rely on the delivery of timely benefits and services.

H.R. —

A bill to amend title 38, United States Code, to provide that the records of all active or potentially active claims for benefits under laws administered by the Veterans' Administration shall be maintained by the Administrator of Veterans' Affairs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 3 of title 38, United States Code, is amended by inserting after section 236 the following new section:

"§ 237. Records Processing Center

"(a) There is in the Veterans' Administration a Records Processing Center. The Administrator shall maintain in the Records Processing Center the records of all claims for benefits under laws administered by the Veterans' Administration that (1) are not maintained in the Central Office or regional offices or other field offices of the Veterans' Administration, and (2) are currently active claims or could reasonably be anticipated to become active claims. The Administrator shall by regulation prescribe standards to be followed in determining whether a claim for benefits is currently active or could reasonably be anticipated to become active. Notwithstanding any other provision of law, records of any claim determined by the Administrator pursuant to such regulations to be a currently active claim or a claim that could reasonably be anticipated to become active may not be transferred out of the jurisdiction of the Administrator.

"(b) Records of any claim for benefits under laws administered by the Veterans' Administration determined by the Administrator pursuant to such regulations to be neither a currently active claim nor a claim that could reasonably be anticipated to become active may be transferred to the Administrator of General Services pursuant to law.".

SEC. 2. The table of sections at the beginning of chapter 3 of title 38, United States Code, is amended by inserting after the item relating to section 236 the following new item:

"237. Records Processing Center.".●

JUDICIAL TENURE ACT

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

● Mr. PEASE. Mr. Speaker, the functions of the Federal judiciary in our constitutional government are critical. The power residing in the Justices of the Supreme Court and the Federal judges is great. The importance of the independence and integrity of the Federal judiciary cannot be overesti-

mated. The size of the Federal judiciary has far outgrown that contemplated by the Founding Fathers. And there exists a compelling need to reinforce public confidence in the character and the professional conduct of Federal judges.

All of these factors point toward the need for legislation to establish within the judicial branch of government a system for dealing with allegations of misconduct or disability among Federal judges.

I venture to guess that most of us at one time or another have heard from disgruntled constituents, litigants and attorneys concerning Federal judges. For lack of anywhere else to file their complaints, they come to us. Today I am introducing a bill that would fill this void by creating a system whereby allegations about Federal judges could be filed with a responsible, judicial body that has both the means and the ability to investigate and take appropriate action.

Briefly, this bill establishes a procedure within the Federal judiciary for investigating and resolving allegations that a Federal judge is not conforming to "good behavior" or is suffering from a permanent mental or physical disability that seriously interfers with the performance of his official duties. This is accomplished through two-tiered judicial disciplinary system which investigates and takes appropriate action on complaints filed against a judge of the United States. Allegations could only be considered if they related to the conduct or condition of a judge which are connected with the judicial office or which prejudice the administration of justice by bringing the judicial office into disrepute. Complaints filed by persons unhappy with a judge's procedural rulings or stemming from personal disagreements with the merits of a judge's decision could not be considered.

An investigation of a complaint against a judge could result in the involuntary retirement, removal, or censure of the judge or the dismissal of the complaint.

There is a school of thought which contends that Federal judges can only be removed from office by impeachment for "bribery, treason, or other high crimes and misdemeanors." On the other hand, a competing school of thought argues that the "good behavior" clause of article III, section 1 of the Constitution needs to be defined by law so as to provide supplementary grounds for removing Federal judges from office.

Much scholarly debate has centered on these divergent constitutional interpretations. Ample historical and legal precedents have been cited in defense of each interpretation. Now is the time for the Congress to give thoughtful consideration to the approach provided in this bill as a way of establishing the constitutional parameters under which the conduct and conditions of Federal judges can be evaluated. The public is criticizing the Federal judiciary as never before, so the need for arriving at a delineation of the constitutional standard of "good behavior" is greater now than ever before.

Personally, I am persuaded there are strong arguments in defense of the constitutionality of this bill. It does not undermine the separation of powers doctrine, in my opinion, since that doctrine refers to the independence of the judiciary as an institution from the two other branches of government. It does not refer to the independence of judges from their peers. After all, under the procedures established in this bill, judges suspected of misconduct or disability would be judged by other Federal judges.

The bill is also practical. The system that would be established for handling allegations of misconduct or disability among Federal judges parallels those already in use in 47 States, the District of Columbia, and Puerto Rico.

In introducing this bill today, I hope to elicit support from my colleagues for what I feel is a responsible approach to coping with a growing public concern. I also hope this bill will encourage the House Judiciary Committee to come to grips in this 96th Congress with several issues related to judicial conduct and disability.●

PARTIAL PUBLIC FINANCING OF HOUSE GENERAL ELECTIONS

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

● Mr. MIKVA. Mr. Speaker, it is my honor today to introduce on behalf of myself and 131 of my colleagues on both sides of the aisle H.R. 1, a bill to provide partial public financing of House general elections.

This bill, Mr. Speaker, is the product of many years of effort. It contains what we believe are the best elements of previous proposals introduced by Representatives JOHN ANDERSON, THOMAS FOLEY, BARBER CONABLE, MORRIS UDALL, PHILLIP BURTON, and FRANK THOMPSON, JR., plus many new features.

Basically, the system we are proposing is similar to the Presidential primary public financing system which has proved so effective. The proposal would authorize matching of small contributions up to $100 and would provide a ceiling on the overall amount of money a candidate could spend. The bill would cover House general elections only beginning in 1980.

Since the measure is similar to bills we missed considering by only 17 votes last session, I will not spend time now reviewing the various provisions but will insert a summary of the measure at the end of my remarks. Instead, Mr. Speaker, I would like to focus my remarks on the need for this legislation.

A Democratic Study Group of campaign reports filed with the Federal Election Commission by 180 candidates in 90 races shows an astronomical increase in spending for congressional elections.

The Democratic Study Group study indicates that nearly half of these candidates—80 or 44 percent—spent more than $200,000 in 1978. That represents a 300 percent increase over 1974 when only 20 candidates spent in excess of $200,000.

Similarly, the number of candidates spending more than a quarter of a million dollars on their campaigns rose from 8 in 1974 to 46 in 1978—an increase of 475 percent.

And where it was unheard of in 1974 to spend more than a half million dollars on a House race, 6 candidates exceeded that amount in 1978. In fact, the biggest spender in 1978 spent $1.3 million in an unsuccessful effort to win election to the House.

The following table shows the increase in heavy spending over the past three elections:

Total spending

	Over $200,000	Over $250,000	Over $500,000
1974	20	8	0
1976	32	15	3
1978 [1]	80	46	6

[1] 1974 and 1976 data covers all 435 House races. 1978 data covers only 90 races. Thus when all 435 House races are in, the increase in spending will be even more dramatic.

The above data clearly shows that campaign spending is out of control—and this fact alone warrants enactment of public financing legislation because that is the only way, in light of the Supreme Court verdict, that we can impose a ceiling on campaign spending.

There is another compelling reason for enactment of this legislation which is the disturbing increase in the role of special interest groups in financing our elections.

We have all read the rash of newspapers stories since the November elections noting the massive increase in special interest money in the 1978 elections.

While complete data will not be available for some time yet, it is clear that the amount of special interest money in the 1978 campaigns set an all-time record, and that the amount of such money poured into House campaigns alone has tripled or quadrupled in the past two elections.

Not only are candidates becoming more dependent on such funds to finance their campaigns, there is a growing perception that such money unduly influences legislative decisions with the result that both individual Members and Congress as an institution are being tarnished by our present system of financing campaigns.

An illustration of the increased role of special interest funds can be seen in a Democratic Study Group survey of 130 candidates in 65 races; 60 of these candidates—(52 incumbents and 8 nonincumbents)—also ran 2 years ago. The comparison between the amount of special interest PAC money these 60 candidates received in 1976 and the amount they received in 1978 is dramatic:

In 1976, 60 candidates received an average of $41,000 each in special interest PAC funds; in 1978 they received an

average of $56,000 each—an increase of $15,000 per candidate or 37 percent.

The same pattern holds up when one compares the top 25 recipients of special interest funds 2 years ago with the top 25 recipients in 1978. The top 25 in 1976 received an average of $75,000 each in special interest contributions while the top 20 in 1978 received an average of $90,000 each.

Mr. Speaker, there is nothing we can do about the increasing role of special interest money until we provide some alternative source of funds for candidates to finance their campaigns—and that is one of the prime purposes of public financing. The measure we are proposing would establish a mixed system of public, private, and party financing of House general elections.

Public financing would enhance the importance of contributions from individual citizens on the local level, while reducing the need for candidates to depend on big money contributions from Washington based special interest groups and other out-of-State sources.

At this point, Mr. Speaker, I would like to insert a summary of the provisions of H.R. 1:

SUMMARY OF H.R. 1

PARTIAL PUBLIC FINANCING JANUARY 1979

1. Coverage and Effective Date.—Covers House general elections only, beginning in 1980.

2. Spending Limitations.—Limits overall spending to $150,000 plus 20% for fundraising and 10% for one mailing within the district. Also prohibits candidates from using more than $25,000 in personal funds.

3. Matching Funds.—Authorizes payments to candidates to match contributions of $100 or less received during the election year. The aggregate of matching fund payments to a candidate could not exceed 40% of the spending ceiling. Also, at least 80% of the contributions used for matching purposes must come from persons who reside in that state.

4. Eligibility Requirement.—Requires candidates who wish to receive matching funds to sign an agreement within 10 days after being nominated for election that they will comply with the $25,000 personal funds limit and the $150,000 overall spending limit. Candidates also would be required to apply for $1,000 in matching funds at this point in order to make the agreement binding in the eyes of the court.

5. Payment Procedure.—Provides a simplified procedure for obtaining matching payments in order to reduce the FEC's administrative burden and to expedite payments to candidates within 48 hours after making proper application. All payments except the last would be made in increments of $10,000. In other words, a candidate would be required to raise $10,000 in small contributions in order to receive each $10,000 matching payment. After each general election, the FEC would conduct an examination and audit of the campaign accounts of 10% of the eligible candidates who are selected by means of a scientific statistical method of random selection. An examination and audit also would be conducted whenever the commission, by a vote of four members, determines there is reason to believe a violation may have occurred.

6. Protection Against Excessive Spending By Non-Participants.—If a candidate does not opt into the public financing system and then spends more than $25,000 in personal funds or more than $75,000 overall, the spending limit is removed for the opposing candidate(s) who is participating in the public financing system and the opposing candidate is eligible to receive additional matching funds.

7. Protection Against Excessive Independent Expenditures.—If the aggregate of independent expenditures and internal communication expenditures against a candidate exceed $33,000, the spending limit is waived for that candidate.

8. Rules for Handling Matching Funds.—All matching funds must be deposited in a separate checking account which shall contain matching fund payments only, and all expenditures shall be by check drawn on that said account. Matching funds may only be used to defray campaign expenses for the general election in which they were received, and all matching funds unexpended 60 days after the election must be refunded to the U.S. Treasury.

9. Prohibitions.—Matching fund payments may not be made to any candidate who is unopposed. Also, matching funds may not be used to repay loans or to make payments to the candidate, the candidates immediate family or to any organization 10 percent of which is owned by the candidate or members of his immediate family.

10. Financing.—Matching fund payments would be derived from the same source as for Presidential election financing—the voluntary dollar check-off on federal income tax returns. Funds would not come from general revenues. Public financing of House elections is expected to cost about $25 million per year.

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THE MARTIN LUTHER KING, JR., NATIONAL HOLIDAY BILL

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, today is the 50th anniversary of the birthdate of Martin Luther King, Jr. The passing of time ordinarily has a way of tarnishing or weakening the memory of even the greatest leaders, events, and institutions in public life. Such has not been the case with Dr. King. Indeed, in the history of our Nation he is one of a very few national leaders for whom affection, respect, and devotion have grown with the passing of time.

The affection and respect with which he is held owes to a great many qualities: his unshakable faith in human beings; his extraordinary steadiness of character, self-discipline, and self-denial; his dreams and vision of brotherhood and peace, justice and freedom. He was, of course, a deeply religious man, the son and grandson of two prominent ministers at whose church he too became a minister. He was a precocious student in the public schools of Atlanta, and was a lifelong student of theology, at Atlanta's Morehous College, the Crozer Theological Seminary in Chester, Pa., at Harvard and the University of Pennsylvania, and at Boston University where he completed his work as a doctor of philosophy.

He was also, of course, an exceptional political leader, in the Birmingham movement of 1963 to end legal segregation which culminated in the 1964 Civil Rights Act; the Selma movement, which resulted in the 1965 Voting Rights Act; numerous crusades of conscience in Montgomery and elsewhere to end segregation in public places, overcome discrimination in housing, and to win a better life for, and bring dignity to, the poor. Martin Luther King, Jr., was awarded the Nobel Peace Prize in 1964—only the third black person, twelfth American, and the youngest person ever to win it. He was, needless to say, one of America's greatest orators, yet he always remained a man of the people.

The combination of these qualities in any one of us would, of course, entitle us to recognition and respect. Yet Dr. King's greatness was more than the sum-total of his qualities of courage, eloquence, moral character, and even wisdom. I suspect that even greater than these qualities was his boundless hope in people, in America, and in the world. No obstacles could distract him from his sense of hope. In this he touched the sympathies of a whole people—and, indeed, the world—that for much of human history has lived tragically without much or any hope. "This is our hope. This is the faith that I go back to the South with," Dr. King

declared 15 years ago on the steps of Lincoln's Memorial:

With this faith we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day.

This anniversary, then, is not merely the observance of a single man, however great the moral force of his character and however vast the imprint he left on the history of the world. It is, after all, a celebration of his vision, of his hope for us becoming better human beings and creating a better world, which we all share in, and aspire to, as human beings. This observance celebrates the extent to which he transformed a Nation—and, indeed, the world—through action upon his ideals, and for this reason his example grows stronger with each passing year.

Nearly 11 years have passed since Dr King's tragic assassination in Memphis. In this period of time hundreds of States, cities, and institutions across the Nation have made his birthdate a time of formal observance. What remains to be done is to make Dr. King's birthday a national holiday to permit the Nation as a whole to commemorate his life and to reflect upon, and rededicate itself to, the ideals that he lived and gave his life for.

It remains for us and future generations to complete his great work. It has become a matter of urgency to infuse once again this Nation, especially its young, with a sense of hope and the sense of responsibility to improve its life, at a time when so many individuals are filled with confusion, disbelief, indifference, and despair. For these and other reasons a national holiday on Dr. King's birthday would be the most appropriate way to restore hope and rededicate the Nation to his ideals.

Each year following his death I have introduced a bill to designate Dr. King's birthday a national holiday. In the 95th Congress, 104 Members from both parties cosponsored the Martin Luther King, Jr. national holiday bill. This year, in the 96th Congress the bill will be reintroduced in the House, and Senators EDWARD M. KENNEDY and BIRCH BAYH will introduce an identical bill in the Senate, which already has won considerable support. Speaking in Atlanta on Sunday, January 14, 1979 President Jimmy Carter strongly endorsed the legislation and voiced the hope that before years' end he would be able to sign it into law.

The text of the Martin Luther King, Jr. national holiday bill follows:

H.R. —

A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 6103 of title 5, United States Code, is amended by inserting immediately below "January 1, New Year's Day." the following:

"January 15, the birthday of Martin Luther King, Junior.".

Mr. Speaker, I yield now to the chairman of the Committee on the Judiciary, the distinguished gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I am pleased to join with my distinguished colleague, a Member of the Committee on the Judiciary, the Honorable JOHN CONYERS, in this effort to bring about a national holiday, a public legal holiday honoring the memory of a man to whom America owes such a debt of gratitude for bringing to us, with his great courage and his wisdom and his enlightened teaching, a new sense of conscience in America.

Mr. Speaker, Martin Luther King would have been 50 years old today if he had not been senselessly gunned down in Memphis 11 years ago. He was the leader of a movement toward social justice that has spread to all corners of the Earth.

It is long overdue for the Congress to officially recognize the tremendous contributions which Dr. King made to our society. I believe that 1 day a year should be set aside in his honor. That is why I am introducing legislation to make January 15 a legal, public holiday for all Americans.

This day will provide a time for all Americans to reflect on the meaning of the civil rights movement in the past and in the present. Dr. King's dream has not been totally realized, but his example provides us with the inspiration to continue his fight for an America where all citizens are equal under the law and enjoy equal opportunity.

A national holiday is most appropriate for this great modern patriot of the Republic. The social and political advancements enjoyed by numerous minority groups in America today are results of Dr. King's dedication, leadership and ultimate sacrifice.

Mr. Speaker, the American people can fulfill his legacy and our own ideals by paying respect to his memory. I am very pleased by President Carter's support for this legislation and I urge my colleagues to join in this effort to honor Dr. King.

Mr. CONYERS. Mr. Speaker, I yield to my friend and colleague, the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Speaker, I join with my colleagues today in paying tribute to Dr. Martin Luther King, Jr. We are here to commemorate what would have been his 50th birthday. He was a man whose struggle for peace and justice not only reached black America but America as a Nation.

Walking in the light of such world peace leaders as M. K. Gandhi, Dr. King's meritorious actions for peace earned him respect and admiration the world over. His attainment of the Nobel Peace Prize in 1956 was an indication to the world of Dr. King's goals and aspirations for all humankind.

Although his assiduous call for peace, freedom, and equality was prematurely interrupted by an act of violence, we cannot afford to let the call for the realization of equality in America go unheeded. We must rededicate ourselves to the principles Dr. King articulated, and construct our efforts to incorporate these principles into American life.

In closing, Mr. Speaker, I would like to say that although we make mention of Dr. King's greatness, we have failed to put it in the perspective in which it belongs. We have failed to make the date of his birth a national holiday. This is not only an injustice to the human being that Dr. King was, but an injustice to those who carry on his struggle.

Mr. CONYERS. Mr. Speaker, I yield now to a member of the Committee on the Judiciary, the distinguished gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman and commend him for his initiative in introducing again this resolution, which I hope this Congress will put into law, to make Dr. King's birthday a national holiday. I can think of no private citizen for whom this tribute is more appropriate than Dr. Martin Luther King, one of the truly great Americans of this century.

I have a personal feeling about it, because it was 9 years ago today that I chose to announce that I was going to be a candidate for election to the Congress of the United States.

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I chose that day advisedly because it conveyed, I thought, a message as to the kinds of causes and the kinds of values I wanted to be identified with.

Dr. King was not only a great champion of equal human rights for all people but he was also a strong opponent of the Vietnam war. While we still have a long way to go on equal rights, Congress has a strong record of constructive legislation in that field. And Congress did, though belatedly, measure up to its responsibilities and legislated an end to our involvement in the Vietnam war.

Dr. King also stood for making human needs the first priority of our society. In one statement of his which quoted in my release 9 years ago, he said that our country had a shameful order of priorities, in which human needs were placed behind the demands the military-industrial complex and the needs of the poor and the weak were placed below the demands of powerful interests in this country. In this respect, the Congress has yet to measure up to the proper order of priorities.

Now we have a new Congress, which is going to be faced with the most severe budgetary constraints we have seen in decades. As a result, we are going to be tested as never before as to what our priorities are. When the rumors have it that the executive branch is going to recommend a budget in which social programs are cut across the board and the military budget is increased, then I can only ask my colleagues to compare that with the order of priorities that the great

Martin Luther King would have urged us to follow and take heed of his words.

Mr. Speaker, the distinguished gentleman from Michigan (Mr. CONYERS) has never ceased speaking and working for the values and the goals exemplified by the life and the teachings of Martin Luther King. We are indebted to him for reminding us that Dr. King's life has continued significance for all who believe in freedom, equality, peace, nonviolence, and a humane society. We need this national holiday to help all people to renew their commitment to the principles for which Dr. King lived and died.

Mr. CONYERS. Mr. Speaker, the utterances of the gentleman from New Jersey (Mr. RODINO), the gentleman from California (Mr. DELLUMS), and the gentleman from Ohio (Mr. SEIBERLING), I think, indicate the great feeling that has really been carried on by many millions of Americans who have lo all these years since 1968 been celebrating Dr. King's birthday.

Fifteen States now regularly observe Martin Luther King's birthday as a holiday, as well as scores of cities. This is an incredible phenomenon in the wake of the usual experience that with a hero, after years pass, the celebration of his memory understandably becomes weaker and weaker. That has not been the case with the subject of our instant motion or resolution here. Indeed, ironically and wonderfully, the support for Dr. King grows each year, and now it seems to me in this 96th session of Congress the time has come, the anvil is hot, and I urge all my colleagues to join in supporting this historic resolution.

● Mr. FORD of Tennessee. Mr. Speaker, today, Dr. Martin Luther King, Jr., would have celebrated his 50th birthday had he not met with his untimely death in Memphis.

The ideals that Dr. King stood for, supported, and lived by are ideals which we must not only remember, but also fight for in 1979. Dr. King sought justice for black Americans and worked for peace and against poverty on behalf of all. He had dreams that one day all of us would be able to live as one Nation, under God. He had dreams that one day, there would truly be liberty and justice for all. And, he had dreams that one day everyone would realize that the progress of America is reflected in the progress of each group and individual within it.

As we commemorate the significance of this day, I want you to know that I am remembering Dr. King not only by embracing his philosophy in the Congress, but also as I cosponsor legislation to make his birthday a national holiday.

We must let the Nation and the world know that on this date and everyday, we have not and will not forget the struggle of Dr. King. We as Americans must let the meaning of Dr. King's life continue to touch every city, every town, and every heart because Dr. King's work did exactly that.

No, his struggle has not ended with his death. It is only just begun.

So, today—let us pledge ourselves as the governing body of this land—to support my colleague from Missouri, Congressman CLAY, who introduced an overdue measure to make January 15 a national holiday honoring a great American.●

● Mr. RANGEL. Mr. Speaker, it is with a sense of history and great pride that I rise on this day to commemorate the birthday of Dr. Martin Luther King, Jr.

Today marks what would have been the 50th birthday of Dr. King, a great American and leader, who made many contributions to this country and world. He left us all too soon. Had not an assasin's bullet deterred his life, he would still be here today to champion the social causes to which he was so committed. It is, indeed, a great tradegy that he is gone, but for us he is still cherished and remembered.

I urge all Americans who believe in freedom, justice, equality, and human dignity to pay homage and tribute to this distinguished American who gave his life to achieve these goals for all mankind, and to remind them of the profound love and national pride that was associated with his life.

Dr. King's strong commitment to his religion gave him the strength and courage to seek that which was wrong and make it right. For those efforts he became a deserving recipient of the 1964 Nobel Peace Prize. He was not only a civil rights leader of black America, but a universal leader for the human rights of all oppressed people—regardless of race, color, creed, sex, religion, or national origin.

As this day also marks the beginning of the 96th Congress, I urge my brothers and sisters of this body, while they are examining the Federal budget for 1980, not to preclude support for those social causes and programs for which this great man so diligently worked and to continue the American dream for all Americans in the spirit of Dr. Martin Luther King, Jr.●

● Mr. CLAY. Mr. Speaker, today marks the opening session of the 96th Congress and the anniversary of the birth of one of America's greatest black leaders, the late Dr. Martin Luther King, Jr. Americans will always remember Dr. King as the man who translated impossible dreams into living realities. He was a man of the people who devoted his life to improving the lives of his brothers and sisters. A pioneer in his mission, Dr. King was a spokesman for the millions of poor and disadvantaged American citizens at a time when helping the unfortunate was not yet a popular or fashionable cause. Dr. King's work inspired a great awakening in the United States. His achievements shook our Nation and the world.

With courage, dignity, a singlemindedness of purpose and a deep faith, Martin Luther King, Jr., struggled throughout his entire adult life to achieve equality and justice for all Americans, whether blacks in the South, Puerto Ricans in New York, poor whites in Appalachia, or Chicanos in the West. Dr. King dedicated his life to removing all vestiges of racism, discrimination, and inequality wherever they might exist, and by enlightening all elements of American society, he sought to reorder and redirect this Nation's priorities to achieve that wonderful dream of which he so eloquently spoke.

When Dr. King left our world, he left us a legacy. He left us with a new direction, he articulated our goals, and, perhaps most importantly, he crystalized in a movement the ideas of millions of individual Americans.

As we join today in commemorating this noble man, it is my privilege to share with my colleagues a poem, written by Mr. Bolden Lawson of Memphis, Tenn., which I feel captures the spirit of compassion and concern which characterized the life of the late Dr. Martin Luther King, Jr.

WE WILL NEVER FORGET YOU, DR. MARTIN LUTHER KING

(By Bolden E. Lawson, Mar. 29, 1978)

Born, in Atlanta, Ga. Jan. 15th, nineteen hundred and twenty nine,
A year, when the depression, stopped the hands of time.
It was a time, when people, stood in soup lines to eat,
Eating out of garbage cans, many had no place to sleep.
Insufficient clothes to wear, people begged, in the streets,
No jobs, no money, some had no shoes, to wear on their feet.
Martin, with a message, into this world, you would bring,
We will never, forget you, Mr. Martin Luther King.

Not born of the rich, to your mission, you engaged,
Enrolled in public school, because God, had set the pace.
Entered, Morehouse College, to obtain, a higher degree,
Attended, the Crozel Theological Seminary, to learn God's decree.
Went to Boston University and the University of Pennsylvania too,
Received your Doctors, from Harvard, but the final test, was not yet, though.
Oh Martin, you never realized, this world could be so mean,
We will never, forget you, Mr. Martin Luther King.

You took a ride, for freedom, on a Montgomery, Alabama bus,
To rid the nation, of prejudice, racism, that had segregated us.
When bombing, burning, plagued city's, day and night,
Nonviolence, you preached, upholding the battle of freedom, was your fight.
Simplicity and valor, steadfast you held, the world would confess,
And deep down, in our hearts, Martin, you are not dead yet.
Until this earth, passes away and there not a robin, left to sing,
We will never, forget you, Mr. Martin Luther King.

The march on Washington, in 1963, lingers still in our minds,
Your speech near the Lincoln Memorial was right on time.
Winning the Nobel Peace Prize, in nineteen hundred and sixty four,
There was so many people, that felt, you was moving too slow.

Your deep rooted dream, is embedded, in the minds of all people,
Holding these truths to be self evident, that all men, are created equal.
This land of liberty, my country, tis of thee, of freedom, we sing,
We will never, forget you, Mr. Martin Luther King.

Giving your life, for the people you led, I have a dream, you said,
A forever whispering wind, whisper's, your dream, is not yet, dead.
Dreaming of a land, where all people, could live in harmony.
A world in which we live, where all men, could be free.
Dream's never dreamt, where Blacks and Whites walk hand in hand,
Where peace, love and freedom, reign, through out the land.
Deserving honors fit for a king, you left a record, spotless and clean,
We will never, forget you, Dr. Martin Luther King.

In Memphis, Martin, you made your last and final stop,
On the balcony, of the Lorraine Motel, the whole world, heard a shot.
I am not afraid, Martin, you said, for I have seen, the promise land,
And the whole world knows, that you was, a God fearing, humble man.
The freedom bell, is ringing, in every city and every State,
Blacks and Whites, Jews and Gentiles, Protestants and Catholics, its not too late.
Let's join in, the people spiritual, free at last, let us all sing,
We will never, forget you, Dr. Martin Luther King.

I would also like to take this opportunity to join my colleagues on the Congressional Black Caucus and urge the 96th Congress to pass the legislation introduced by Representative JOHN CONYERS to make January 15 a national holiday in tribute to the late, great Dr. Martin Luther King, Jr.●

● Mrs. CHISHOLM. Mr. Speaker, on this 15th birthday of our great leader, Rev. Martin Luther King, Jr., it is appropriate that we pause and take stock of the progress this country has achieved toward meeting the objectives to which Dr. King dedicated his career and life.

Largely due to the efforts of Dr. King and his followers, the Nation can take comfort in the fact that some of the more obvious forms of discrimination such as the legal restrictions enshrined in the Jim Crow Laws have now been eliminated from our system of justice. Indeed, Dr. King's valiant efforts to secure and protect the rights belonging to blacks and other minorities by virtue of their citizenship in this country have in most instances been acknowledged by the courts. In principle, blacks can now vote in our public elections, serve on juries, frequent theatres, restaurants and hotels of our choice, ride passenger trains; and we are no longer compelled to serve in segregated military units. At the same time that we acknowledge these important political and social gains, we must also candidly admit that the full promise of Dr. King's dream of total emancipation of his race has not been achieved in any meaningful way.

The legacy of the forced segregation of the races and centuries of unequal treatment is evident in almost every aspect of American life today.

Ten years after the Kerner Commission report which identified the causes of racial unrest in this country, we must sadly acknowledge that black youngsters today continue to have a life expectancy which is shorter by more than 5 years than that of a white child. The mother of a black child is over three times more likely to die of complications of childbirth, and the infant mortality rate for blacks is nearly twice that for whites. In terms of income, the average black family earns only 60 percent of the median salary of a white family; and the percentage of blacks who live in families with incomes below the poverty line is nearly four times greater than that of whites.

I am certain that Dr. King would be outraged by the unemployment situation confronting our community in 1979. Like Dr. King, I am especially sensitive to the bleak occupational prospects for black and other minority youth. We know for example, that the unemployment rate of black teenagers has swelled to upward of 35 percent nationally. In some instances, our young people must face the prospect of never gaining access to the labor market—not because these youth are not eager to obtain jobs but because they lack the education and skills necessary to compete with their more affluent peers for the limited number of positions available.

The relationship between these shocking statistics and the history of unequal treatment afforded to the Afro-American cannot be denied. Consistent with the spirit and thrust of Dr. King's deep commitment to the poor people of this Nation. We must rededicate ourselves to identify and implement stategies which begin not only to address the problems of inflation but also, and perhaps more importantly, formulate bold and creative solutions which respond to the acute needs of blacks, unemployed teenagers, and other victims of racial oppression.

Just today, I listened to the words of Dr. King, as just before his untimely death, he spoke out against the move afoot in America to retreat from our constitutional commitment to equality of opportunity. Dr. King spoke of our Constitution as a promisorial note which serves as a strong guarantee of an equal opportunity to live the American dream. As leaders of our Government, we cannot allow America to default on this note by retreating from the pursuit of equal opportunity. Too many of my colleagues have found it fashionable to attack affirmative action and other instruments for acquiring access and opportunity. Before we can attack instruments for change, such as affirmative action, we should look at the manifestations which this terrible history of discrimination has taken. I hope that as we move into the 96th Congress, my colleagues will remember that although we live in a period which seeks to limit Government and spending, we also serve in a constitutional democracy, and we have an obligation to form a more perfect society. This will not be done by balancing the budget on the backs of America's poor.

Obviously the problems we face have no easy answers, but they also will not be solved by pursuing the course of benign neglect. Many of the inequities in this society which Dr. King so eloquently dramatized still exist. I pray that as a body we will move to address these inequities forthrightly, and that we not attempt to ignore the turmoil which swells in the disadvantaged communities of this Nation.

Let me conclude my remarks by urging each Member of this body to support the bill introduced by Mr. CONYERS to designate January 15, Dr. King's birthday, a national holiday. Those of us who were among the 104 cosponsors of this legislation in the 95th Congress have sought passage of this bill to enable citizens to engage in activities on this day which symbolize the high ideals to which Dr. King dedicated his life's work. I know that this legislation has the President's endorsement, and I sincerely hope that now—a decade after the tragic events in Memphis—we will finally pass this bill.

● Mr. ADDABBO. Mr. Speaker, today we honor the birthday of a great American, the late Dr. Martin Luther King. Except for the assassin's bullet, who destroyed this good man in the prime of his life, Dr. King would be with us today on this, his 50th birthday.

Many of us in this Chamber have cosponsored legislation which would commemorate Dr. King's birthday as a national holiday. I would hope that this legislation might pass this House in the months to come because I believe it is in the national interest to always remember this man who taught all of us the true meaning of brotherhood and who set for the Nation the example of what nonviolent protest can accomplish.

To aid my colleagues, I ask unanimous consent to include in the RECORD an article from today's issue of the New York Times which sums up well, I believe, the meaning of Dr. King's life.

REMEMBERING MARTIN LUTHER KING

Many Americans today commemorate the 50th birthday of the late Martin Luther King, principal spokesman for the civil rights movement until his assassination in 1968. That movement has been transformed in the years since his death.

The venerable National Association for the Advancement of Colored People is struggling financially and has been forced to cut programs and dismiss 10 percent of its staff. The Congress of Racial Equality, far removed from its nonviolent tradition, is in trouble with the law. When members of the Southern Christian Leadership Conference, the group Dr. King headed for many years, protested Federal budget cuts yesterday as President Carter received the Martin Luther King award in Atlanta, it was the first word from them in a long time. Most civil rights groups are struggling to exist; only the Urban League, which has never relied on mass action seems intact.

It is as if the bullet that struck Martin Luther King had ricocheted through his movement. But it was not Dr. King's passing that caused the disarray. In a sense, the movement is the victim of its own success.

An expanded black middle class has emerged and its members are moving up in corporations, Government and the professions. Blacks are voting in larger numbers—though still less than whites—and winning important offices. Marion Barry, a militant activist in the 1960's, was inaugurated this month as mayor of the nation's capital. There are now black mayors in six major cities; 17 blacks sit in Congress and others hold statewide office. They are displacing leaders who emerged more informally through church and protest groups.

Not long ago, the victims of racial discrimination could turn for aid only to organized civil rights groups. Now, Government has become a major advocate for minorities. Race relations in the urban South have progressed to the point where they are as good—or poor—as those elsewhere.

Blatant acts of racism and violence have all but vanished, and so have their conspicuous advocates—the Bull Connors who provided the easy targets for organizing resistance and remedy. For many of these reasons, as William Wilson, a sociologist, argues in "The Declining Significance of Race," civil rights groups can no longer expect broad support for racial appeals.

Yet, for all the progress, black family income was 59 percent of that of whites in 1976, about where it was in 1970. The economic problems reflected in such figures are more intractable than segregated lunch counters. No one knows how to deal with the hardcore underclass in the inner city. Black unemployment is still twice the national average, and unemployment among urban minority youths is around 40 percent.

And despite impressive political victories, blacks are insufficiently represented in proportion to their numbers. Moreover, some gains of the earlier period are being eroded by inflation and by the fight against it. In city after city the poor, including many blacks, are being asked for disproportionate sacrifices to save the economy. There is growing belief in black America that race relations are deteriorating under the economic strain.

The movement that Martin Luther King led can claim enormous progress toward his dream of a new racial order in America. But the challenge for his successors is how to consolidate those gains and to attack the many surviving problems caused by racism. It is worth remembering what genius it took to rally so many divergent forces to a common purpose.

—ROBERT CURVIN.●

● Mr. STEWART. Mr. Speaker, I am pleased to join in the recognition of the anniversary of Dr. Martin Luther King's birthday. Half a century after this great leader's birth it is appropriate to remind our Nation of this prophet's still unfulfilled dream.

On August 28, 1963, Dr. Martin Luther King addressed over 200,000 people who gathered in the largest civil rights demonstration in the history of the United States.

Near the end of the March on Washington he delivered at the Lincoln Memorial what is perhaps the greatest speech in the entire civil rights movement.

The "I Have a Dream" speech echoed the Bible, the Constitution, and the national anthem. It gathered and welded together the urgent aspirations which Dr. King shared so deeply with our people. He assured the multitude of pilgrims that the prophecy of equality and freedom for all would yet come true.

Now over 10 years after Dr. King's death, some elements of the dream which he projected are beginning to become fulfilled. We have seen great progress toward achieving open housing, equal opportunity, voting rights, and recognition of our black heritage.

Yet today much still remains to be done to fulfill the dream. The most pressing problems facing this country's black and minority population concern unemployment and poverty. Without jobs and income we cannot achieve economic equality.

Too few young Americans know much about Dr. King and his life's work as a leader, a Nobel Peace Prize winner, a prophet, and a friend of all humanity.

Observing his birthday as a Federal holiday would stimulate schools, community and civic organizations, and individuals to discover his unique and invaluable contribution to American life. It would encourage everyone to examine and respect Dr. King's quest for justice and his vision of equality.

Honoring Dr. King by establishing his birthday as an official national holiday would give renewed official emphasis and commitment to fulfilling his dream.

When the dream becomes reality and the pledge of America's promised equality is finally made good, then and only then will all Americans be free.

On that day, Dr. King declared, both blacks and whites, people of all religions and all races, will have been emancipated. And on that day, then we all will sing, "Free at last! free at last! thank God Almighty, we are free at last!" ●

LEGISLATION TO INCREASE FEDERAL SHARE OF WELFARE COSTS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am today introducing a bill to increase the Federal takeover of State welfare costs. This bill will require the Federal Government to pay 75 percent of the total costs incurred by each State and will thus provide much needed aid to financially hard-pressed State and local governments.

Although welfare payments for the needy is a national problem and the cost of dealing with it should quite properly be borne by the Federal Government, the Federal Government pays different amounts of welfare costs in different States. Thus, the Federal Government pays only 49 percent of welfare costs in my own State of New York, but pays almost 83 percent of the welfare costs in Mississippi. This disparity is grossly unfair and places a disproportionate burden on the taxpayers in low-reimbursement States such as New York.

My bill will equalize Federal payments at 75 percent of the cost. This will mean for most States a substantial increase in Federal help for welfare payments. New York State, for example, would gain an additional $400 million a year from the Federal takeover of welfare alone. In addition, cities and counties will also gain significantly. New York City, for example, would receive an additional $150 million a year; Nassau County would receive $20 million.

The long-term effect of the 75 percent Federal reimbursement is that jobs will be saved and police, fire, education, and other vital services will be maintained. In addition, State and local taxes will be minimized.

Mr. Speaker, the time has come for the Federal Government to assume a larger share of the burden it has imposed on State and local governments. Although I believe the Federal Government should pay for 100 percent of welfare costs, this bill is an important first step toward achieving this goal.

The text of the bill follows:

H.R. —

A bill to amend title IV of the Social Security Act to increase the minimal Federal matching rate under the aid for families with dependent children program to 75 percent

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 "Increased Federal Share of Welfare Costs Act of 1979".

SEC. 2. (a) Section 403(a) of the Social Security Act (42 U.S.C. 603(a)) is amended—

(1) by striking out "October 1, 1958" in the matter preceding paragraph (1) and inserting in lieu thereof "October 1, 1979";

(2) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) in the case of any State, an amount equal to 75 per centum of the total amounts expended during such quarter as aid to families with dependent children under the State plan (including expenditures for premiums under part B of title XVIII for individuals who are recipients of money payments under such plan and other insurance premiums for medical or any other type of remedial care or the cost thereof); and";

(3) by amending paragraph (3) to read as follows:

"(3) in the case of any State, an amount equal to 75 per centum of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a)(1) of this Act other than services the provision of which is required by section 402(a)(19) to be included in the plan of the State; and";

(4) by amending paragraph (5) to read as follows:

"(5) in the case of any State, an amount equal to 75 per centum of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children."; and

(5) by striking out "or (2)" in the sentence following paragraph (5).

(b)(1) Section 403(d)(1) of such Act (42 U.S.C. 603(d)(1)) is amended by striking out "subparagraph (A) of".

(2) Section 409(b) of such Act (42 U.S.C. 609(b)) is amended by striking out "and (4)".

(c) The amendments made by subsections (a) and (b) shall apply to amounts expended, under a State plan approved under part A of title IV of the Social Security Act, on and after October 1, 1979.●

AMENDING RULEMAKING PROCEDURES FOR FEDERAL COURTS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this

point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to amend the rulemaking procedures for the Federal courts. By amending the Rules Enabling Act, this bill seeks to insure that Federal court rules, which critically affect the rights of our citizens, will receive careful consideration and reflect public participation.

Under present law, Federal court rules are supposedly promulgated by the Supreme Court. Such rules then go into effect automatically unless Congress, by statute, changes them. In fact, the Supreme Court does not fashion the rules. Instead, they are promulgated by the advisory committees of the Judicial Conference, a group composed of Federal judges. The Supreme Court does little more than rubberstamp the rules proposed by the Conference.

Justice Douglas said of the process in his dissent to the Federal Rules of Evidence:

(T)his Court does not write the Rules, nor supervise their writing nor appraise them on their merits, weighing the pros and cons . . . Those who write the Rules are members of a Committee named by the Judicial Conference. The members are eminent; but they are the sole judges of the merits of the proposed Rules, our approval being merely perfunctory. In other words, we are merely the conduit to Congress. Yet the public assumes that our imprimatur is on the Rules, as of course it is.

Another problem occurs under the present system. Even though the Supreme Court does not deliberate on the rules, the fact that it approves them means that the Court is then placed in the awkward positions of deciding on their validity when the rules are challenged in a particular case.

Furthermore, the rules which come to the Supreme Court for approval have often not been as good as they could be. One reason is that the Judicial Conference drafts rules without the benefit of widespread comment by the bar and interested public. The advisory committees to the Judicial Conference, which do the actual drafting, are often made up of law professors and appelate judges. They do not include enough experienced trial lawyers or represent an adequate cross-section of interests.

The Judicial Conference generally adopts rules behind closed doors. It does not have published procedures. Until recently, no public hearings were held and the record of advisory committee votes on particular rules and dissenting views were never made public.

The best evidence of the inadequacy of the rulemaking procedure is that four times in the last 5 years the Congress has had to step in and revise the proposed rules.

Under the present system, however, it is difficult for Congress to block the rules. Unless it passes a statute within 90 days, the rules go into effect automatically. This means that bad rules can go into effect by default if both Houses cannot agree, or one House fails to act or the President refuses to sign the bill. The burden should not be on Congress to stop bad rules but on the proposers to show the rules are good.

My bill would reform the present rulemaking procedures. First, it would take the rulemaking power away from the Supreme Court which does not exercise that power anyway. Second, it would give the responsibility for proposing rules to the Judicial Conference which does exercise that power now.

In addition, my bill would open up the process by which the Judicial Conference adopts rules so that the rules promulgated will have the benefit of widespread comment from the bar and the public. Specifically, the bill would require that the Judicial Conference establish regular procedures—through publication in the Federal Register—for promulgating rules. It would further require that when the Judicial Conference decides to consider rules changes that it publish 90 days before their formal consideration, a list of the changes under consideration and the issues raised by such changes in the Federal Register and Federal Rules Decisions.

The Judicial Conference would be required to seek affirmatively wide-ranging comment from the public and the bar, receive written comments, and hold public hearings on rule changes. It would then be required to publish a record of the votes taken within the Conference on particular rules and publish any dissenting views.

Finally, the bill provides that rules promulgated by the Judicial Conference would not go into effect until approved by the Congress.

The bill, in my judgment, will substantially improve the quality of the rules promulgated for Federal courts and relieve Congress of its present burden of preventing the damage that ill-considered rules could cause.

The text of my bill follows:

H.R. —

A bill to amend the provisions of title 18 and 28 that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the Judicial Conference, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rules Enabling Act Amendments Act of 1979".

CRIMINAL CASES

SEC. 2. Chapter 237 of title 18 of the United States Code is amended to read as follows:

"Chapter 237.—RULES OF CRIMINAL PROCEDURE

"Sec.
"3771. Power of Judicial Conference.
"3772. Effect of laws and prior rules.
"3773. Manner of prescribing rules.
"3774. Effect of rules.

"§ 3771. Power of Judicial Conference

"(a) The Judicial Conference of the United States shall have the power to prescribe, from time to time, rules of pleading, practice, and procedure with respect to any or all proceedings, before or after verdict or otherwise, in criminal cases and proceedings to punish for criminal contempt in the United States district courts, in the district courts for the Districts of the Canal Zone and the Virgin Islands, in the Supreme Court of Puerto Rico, in proceedings before United States magistrates, in the United States courts of appeals.

"(b) This section does not give the Judicial Conference the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application is made not later than the tenth day after the date of entry of such plea, and before sentence is imposed.

"(c) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right to trial by jury as at common law and as declared by the Constitution of the United States.

"§ 3772. Effect of laws and prior rules

"(a) The right of appeal shall continue in those cases in which appeals are authorized by law, but the rules made under this chapter may prescribe the times for and the manner of taking appeals, preparing records and bills of exceptions, and the conditions on which supersedes or bail may be allowed.

"(b) Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this subsection takes effect.

"§ 3773. Manner of prescribing rules

"Rules prescribed under this chapter shall be prescribed in the same manner as rules prescribed under chapter 131 of title 28.

"§ 3774. Effect of rules

"The Judicial Conference may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.".

CASES OTHER THAN CRIMINAL CASES

SEC. 3. Chapter 131 of title 28 of the United States Code is amended—

(1) in section 2071, by striking out "Supreme Court." and inserting in lieu thereof the following: "Judicial Conference of the United States under an Act of Congress.";

(2) by striking out section 2072 and all that follows through section 2076 and inserting in lieu thereof the following:

"§ 2072. Power of Judicial Conference

"(a) The Judicial Conference of the United States (hereinafter in this chapter referred to as the 'Judicial Conference') shall have the power to prescribe from time to time, by general rules—

"(1) the pleading, practice, and procedure of the district courts and courts of appeals of the United States in civil actions, including admiralty and wartime cases, and appeals in such cases;

"(2) the pleading, practice, and procedure in proceedings for the review by the courts of appeals of decisions of the Tax Court of the United States;

"(3) the pleading, practice, and procedure for the judicial review of or enforcement of orders of administrative agencies, boards, commissions, and officers;

"(4) the practice and procedure under the Bankruptcy Act; and

"(5) rules of evidence, in the form of amendments to the Federal Rules of Evidence.

"(b) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right of trial by jury as at common law and as declared by the seventh amendment to the Constitution.

"§ 2073. Effect of prior rules

"Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this section takes effect.

"§ 2074. Manner of prescribing rules

"(a) The Judicial Conference shall publish from time to time in the Federal Register a description of the procedures the Judicial Conference adopts with respect to the functions of prescribing rules under this chapter. Such procedures shall be in conformity with this section. The Judicial Conference shall also submit such description to any appropriate private publishers of regularly issued

materials published for the legal community for inclusion in such materials.

"(b) The Judicial Conference shall publish in the Federal Register, and submit to private publishers as described in subsection (a) of this section, not later than ninety days before the date on which formal consideration is to be given to a proposed rule under this chapter, a notice of such proposal, including a list of issues that the proposal raises and any copy of the proposal, if such copy is then available. No rule that concerns an issue to be listed under this subsection shall be adopted by the Judicial Conference until after such issue is listed in such list and such list has been published in accordance with this subsection and furnished in accordance with subsection (c) of this section.

"(c) The Judicial Conference shall seek comment on the proposal from a wide variety of persons and organizations that may be affected by the adoption of the proposal. The Judicial Conference shall in addition furnish to the extent practicable the notice list, and copy required by subsection (b) of this section to organizations representing those segments of the legal community that are concerned or have in the past indicated a concern with matters the proposal affects, and to an appropriate committee of each House of Congress.

"(d) The Judicial Conference shall accept and consider timely written comments on such proposals. The Judicial Conference shall hold hearings (and maintain available to the public a transcript of such hearings) on matters before it for consideration under this chapter.

"(e) The number of votes in favor of and opposing the adoption of a rule that is adopted by the Judicial Conference shall be recorded and published in the Federal Register and submitted to private publishers as described under subsection (a) of this section together with the adopted rule, any dissenting views submitted in a timely fashion, and an explanation of why such rule was adopted and why any changes were made if such changes were made to the rule as proposed by an advisory committee.

"(f) Rules adopted under this chapter shall not take effect until they have been approved by Act of Congress.

"§ 2075. Effect of rules

"The Judicial Conference may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.";

and

(3) so that the table of sections reads as follows:

"Sec.
"2071. Rulemaking power generally.
"2072. Powers of Judicial Conference.
"2073. Effect of prior rules.
"2074. Manner of prescribing rules.
"2075. Effect of rules.".●

LEGISLATION TO CLOSE LOOPHOLE IN EQUAL PAY ACT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing legislation today to plug a loophole in the Equal Pay Act that allows unjustifiable wage discrimination.

Six years ago a Federal appeals court construed the Equal Pay Act to permit an employer to pay different salaries to men and women even though they perform the same services. The court allowed salesmen who sold men's clothes to be paid higher salaries than saleswomen who sold women's clothes in the same store.

In permitting this discrimination, the court relied on an exception to the Equal Pay Act, which does not mandate equal pay when "based on any other factor than sex." The "other factor" here was the claim that the sale of men's clothing was more profitable than the sale of women's clothing. The Supreme Court refused to review the case.

I believe this interpretation of the "other factors" clause is an unwarranted departure from the purpose of the Equal Pay Act, which is to mandate equal pay for equal work. It allows wholesale sex discrimination in wages, simply on the assertion of vague, hard-to-ascertain "business reasons."

I therefore, propose in my bill to narrow the "any other factor" provision by specifically excluding profitability as a factor upon which employers can base a wage differential between employees. My bill would, however, retain the other exceptions to the Equal Pay Act which permit wage differentials based on merit or seniority systems, measures of quantity and quality of production, or other factors not based on sex. Thus, employers would remain free to establish reasonable, work-related, or seniority based pay scales.

Discrimination in wage practices is one of the fundamental abuses that must be ended in order to secure equal treatment for women in America. Women now make up more than 40 percent of the work force. Yet in the retail sales industry, for example, female retail sales workers earned only 51.9 percent of what male retail sales workers made, as of late 1974. By limiting the other factor provision in the Equal Pay Act, we can help these women achieve the economic equality that is long overdue.

I urge my colleagues to support this important legislation.

The text follows:

H.R. —

A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that Act may have wage differtials based on sex of the employees

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 "Equal Pay Reform Act of 1979".

SEC. 2. Section 6(d)(1v) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)(iv) is amended by striking out "other factor other than sex" and inserting in lieu thereof "other factor (other than sex), but economic profitability, to the employer, of goods produced, handled, sold, or otherwise worked on in such jobs shall not be such a factor".●

LEGISLATION TO ELIMINATE CREDIT REDLINING ON BASIS OF GEOGRAPHY

Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill that would put an end to present practice of credit redlining on the basis of geography. It would insure that consumer credit is not withheld from creditworthy people merely because of where they live.

A newspaper recently reported that a Detroit couple, with an annual income of $50,000, was denied a gasoline credit card, because they live in an older section of the city. It is intolerable that individuals, otherwise eligible for credit, are denied credit just because they live in a particular city neighborhood that a bank or credit card company does not like.

Credit redlining on a geographic basis is discriminatory and unfair. In addition, consumer credit redlining, like mortgage and insurance redlining, undermines efforts to keep our cities alive.

My bill which amends the Equal Credit Opportunity Act, would halt consumer credit redlining by prohibiting the denial of consumer credit on grounds of geography. The Equal Credit Opportunity Act now prohibits credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, receipt of welfare funds, or the exercise of any right under the Equal Credit Opportunity Act.

My legislation would help insure that people are not arbitrarily denied consumer credit. It would require that applicants for credit be judged on their merits and not on the discriminatory criterion of geographic location. I urge prompt passage of my bill.

The text follows:

H.R. —

A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701(a) of the Equal Credit Opportunity Act is amended by striking out "or" at the end of paragraph (2) thereof, by striking out the period and inserting "; or", and by inserting at the end thereof the following:

"(4) on the basis of the geographical location of the applicant's residence (other than any extension of credit which is secured by real property which is the applicant's residence).".●

FEDERAL GRAND JURY PRACTICE REFORM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing legislation to reform several serious problems related to Federal grand jury practice.

At present, there are no specific limits on the length of time a person can be imprisoned for refusing to answer questions posed by the grand jury. If held in civil contempt, a witness may be imprisoned for the life of a grand jury—up to 18 months. Moreover, when the grand jury's term expires, nothing prevents the witness from being resubpenaed before a new grand jury, questioned again, and subjected to another 18-month period of imprisonment.

Significantly, a judge acting alone can-

not imprison a witness for criminal contempt for more than 6 months. My bill brings civil contempt in line with criminal contempt and limits imprisonment to 6 months. It also prohibits reimprisoning a witness for refusing to answer questions for which he has already been held in civil contempt and imprisoned.

A second major problem is that courts are provided no standards upon which to decide the place of imprisonment for contempt of a Federal grand jury. Because a person can be subpenaed to appear before a Federal grand jury anywhere in the United States, he can be imprisoned for civil contempt far from his family, home, or attorney. This has caused some extraordinarily harsh results in the past. For example, in the case of the Fort Worth Five, five New York residents were summoned to testify before a Federal grand jury in Fort Worth, Tex. These men were held in contempt and imprisoned in Texas for almost a year and a half. Since the families of all five men and their principal attorney were in New York, imprisonment in Texas posed a serious problem. My bill permits a witness held in civil contempt to apply for a transfer of his place of imprisonment on a showing of hardship.

Furthermore, a person held in civil contempt is sometimes incarcerated in State prisons or county jails. These jails are often substandard. My bill requires that, unless a witness consents, imprisonment must be in a Federal facility.

Although many other major reforms have been suggested with respect to Federal grand jury proceedings, I suggest we begin by correcting the problems I have outlined above.

The text of my bill follows:

H.R. —

A bill to amend titles 18 and 28 of the United States Code to provide that an individual appearing before certain grand juries can be imprisoned for contempt for no more than 6 months, and for other purposes

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 "Civil Contempt Reform Act of 1979".

SEC. 2. Section 1826 of title 28, United States Code, is amended to read as follows:

"§ 1826. Recalcitrant witnesses

"(a) (1) Whenever a witness in any proceeding before or ancillary to any court or grand jury of the United States refuses without just cause shown to comply with an order of the court to testify or provide other information, including any book, paper, document, record, recording, or other material, the court, upon such refusal and after a hearing at which the witness may be represented by counsel, may, if the court finds that such refusal was without just cause, hold the witness in contempt and order the witness to be imprisoned.

"(2) Any imprisonment for refusal to give testimony or provide information pursuant to this subsection shall be at a Federal correctional institution unless the witness agrees to confinement at a non-Federal institution designated by the Attorney General.

"(3) Upon a showing of need or hardship, the court ordering such imprisonment may grant a request by the witness to be imprisoned at a suitable correctional institution near the place of residence or employment of the witness or the witness' family or relatives or the attorney of the witness.

"(4) Any imprisonment for refusal to give testimony or provide information pursuant to this subsection shall continue until such time as the witness is willing to give such testimony or provide such information except that no period of such imprisonment shall exceed the lesser of—

"(A) (i) in the case of a court proceeding, the life of the court proceeding before which such refusal to comply with the court order occurred, or

"(ii) in the case of a grand jury, the term of the grand jury, including extensions, before which such refusal to comply with the court order occurred; or

"(B) six months.

"(5) No hearing shall be held under this subsection unless ten days' notice is given to the witness who has refused to comply with the court order under this subsection, except that a witness subpenaed for a trial may be given a shorter notice of not less than five days if the court, upon a showing of special need, so orders.

"(b) No person imprisoned under this section for refusal to testify or provide other information concerning any transaction, set of transactions, event or events may be again imprisoned under this section or under section 401 of title 18, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.

"(c) Any person confined pursuant to subsection (a) of this section shall be admitted to bail or released in accordance with the provisions of chapter 207 of title 18, United States Code, pending the determination of an appeal taken by such person from the order of imprisonment, unless the appeal is patently frivolous. If the person has not been released on bail or otherwise released, any appeal from an order of imprisonment under this section shall be disposed of as soon as practicable, pursuant to an expedited schedule, and in no event more than thirty days from the filing of such appeal. If the appellate court shall fail to dispose of the appeal of a person who remains confined within thirty days, the person shall automatically be released on his or her personal recognizance pending disposition of the appeal.

"(d) In any proceeding conducted under this section, counsel may be appointed in the same manner as provided in section 3006A of title 18, United States Code, for any person financially unable to obtain adequate assistance.

"(e) A refusal to answer a question or provide other information before a grand jury of the United tSates shall not be punishable under this section or under section 401 of title 18, United States Code, if the question asked or the request for other information is based in whole or in part upon evidence obtained by an unlawful act or in violation of the witness' constitutional rights or of rights established or protected by any statute of the United States.".

SEC. 3. (a) Chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 403. Refusal of a witness to testify in a grand jury proceeding

"No person who has been imprisoned or fined by a court of the United States under section 401 of this title for refusal to testify or provide other information concerning any transaction, set of transactions, event, or events in a proceeding before a grand jury (including a special grand jury summoned under section 3331 of this title) impaneled before any district court of the United States may again be imprisoned or fined under section 401 of this title or under section 1826 of title 28, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.".

(b) The table of sections for chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"403. Refusal of a witness to testify in a grand jury proceeding.".●

UNSPENT GOVERNMENT APPROPRIATIONS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, as a member of the House Budget Committee, I have become extremely concerned about the growing size of the appropriations which are not spent by Federal departments and agencies. These unspent or "unobligated balances" will total almost $47 billion by the end of fiscal year 1979, an amount greater than the estimated Federal budget deficit.

Today I am introducing a bill that will enable Congress to reduce these unspent balances. My bill requires the President in his budget to describe his efforts to reduce unobligated balances. Congressional committees must provide the Budget Committees with an accounting of the unobligated balances resulting from their budgetary recommendations and what they have done to reduce these balances. In connection with the first concurrent resolution, the House and Senate Budget Committees must also report on the unobligated balances and what steps have been taken to cut them.

These procedures should help reduce unobligated balances. The President and the congressional committees are required for the first time to focus on the problem; in addition they must propose solutions.

Unobligated balances occur throughout the Government. The Department of Defense, for example, is expected to have at least $21 billion in unobligated funds by the end of fiscal year 1979 (almost half the Federal total of unobligated balances). In addition, these Defense Department balances have been increasing each year. In 1972 they were $12 billion; in 1979 they are expected to soar to $21 billion, an increase of 75 percent.

Other Federal agencies are also guilty. By the end of fiscal year 1979, the Department of Energy is expected to have unobligated balances of more than $13 billion and the Department of Transportation more than $7 billion.

If the integrity of the budget process is not to be undermined, agencies' annual requests must be based on realistic assessments of what they can obligate in that year and they must be required to spend their appropriations in a timely manner. In addition, we must insist that these agencies and departments spend what they have previously requested before coming to the Congress for additional funds.

During last year's debate on the second concurrent resolution for fiscal year 1979, I offered an amendment that would

have reduced unobligated balances by 10 percent. Although I subsequently withdrew my amendment, because it would have imposed serious practical difficulties on the appropriations process, it received strong bipartisan support and represented an attractive and sensible approach to reducing waste in Federal spending.

This bill represents a further effort to cut down the massive size of unobligated balances and make our appropriations and budgetary process more responsible.

The text of the bill follows:

H.R.—

A bill to amend the Congressional Budget Act of 1974 to require that certain information with respect to unobligated balances of budget authority be included in the report accompanying the first concurrent resolution on the budget each year (as well as in the annual reports submitted by other committees to the Budget Committees of the House and Senate, and in the President's annual budget)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(d) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (7);

(2) by redesignating paragraph (8) as paragraph (9); and

(3) by inserting after paragraph (7) the following new paragraph:

"(8) a statement of the steps that have been and will be taken (under the concurrent resolution and otherwise) to reduce unobligated balances of budget authority under Federal programs, and an estimate of the level of unobligated balances of budget authority that will exist under programs within each major functional category, at the end of the fiscal year to which the resolution relates, as a result of the recommendations contained in the resolution and the report; and".

SEC. 2. Section 301(c)(2) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "(A)" before "the estimate"; and

(2) by inserting before the period at the end thereof the following: ", and (E) an estimate of the unobligated balances of budget authority that will remain at the end of the fiscal year beginning October 1 of such year under programs within the jurisdiction of such committee, an estimate of the extent to which those unobligated balances of budget authority will be greater or less than the unobligated balances of budget authority remaining under such programs at the end of the fiscal year during which the report is submitted, and a statement of what steps will be taken to reduce the unobligated balances of budget authority under such programs".

SEC. 3. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

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

"(14) a statement of the steps which are being taken to reduce the unobligated balances of budget authority under programs within each major functional category.".

SEC. 4. The amendments made by this Act shall be effective January 1, 1980.●

PROTECTION OF SOCIAL SECURITY BENEFIT INCREASES

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing today a bill to insure that social security recipients do not lose benefits from federally assisted programs because of increases in social security payments.

Under present law, increases in social security benefits are counted as income for the purposes of participation in other Federal aid programs. Thus a person whose income increases as a result of higher social security benefits may lose entitlement to such programs as medicaid, public housing, and food stamps. Others may receive reduced supplemental security income benefits.

Because of this treatment, cost-of-living increases in social security benefits, which were intended to allow senior citizens to keep pace with today's rampaging inflation, will produce no additional income for many social security recipients, and will actually lower the income of some.

My bill would rectify this injustice by requiring both State and Federal agencies to disregard social security benefit increases for purposes of benefits under federally assisted programs. It would guarantee that social security recipients actually get the benefit increases to which they are entitled and which Congress intended.

We have seen too many instances in which the Federal Government gives benefits with one hand and takes them away with the other. I believe that when Congress provides increases in social security payments in order to help senior citizens cope with inflation it does not intend to see those increases nullified by reductions in other benefits. I urge my colleagues to support my bill so that America's elderly will not suffer further from this absurd inequity in the social security law.

The text of the bill follows:

H.R.—

A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid to families with dependent children, and recipients of assistance or benefits under certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1974 increases in monthly social security benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1612 of the Social Security Act (relating to supplemental security income benefits) is amended by adding at the end thereof the following new subsection:

"Special Rule for Social Security Benefit Increases

"(c) In determining the income of any individual (or his eligible spouse) who is entitled for any month to a monthly benefit under the insurance program established by title II of this Act, there shall be excluded any part of such benefit which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215(i) of this Act (regardless of any concurrent increase in the benefits payable under this title which may result from the operation of section 1617), or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of this Act.".

SEC. 2. Section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) In addition to the requirements imposed by subsection (a) as a condition of approval of a State plan for aid and services to needy families with children, there is hereby imposed the requirement (and the plan shall be deemed to require) that, in the case of any individual found eligible (as a result of the requirement imposed by this subsection or otherwise) for aid to families with dependent children for any month who also receives in such month a monthly insurance benefit under title II of this Act which is increased (or is greater than it would otherwise be) by reason of a cost-of-living increase in benefits occurring after December 1974 pursuant to section 215(i) or any other increase in benefits, enacted after December 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3), the sum of the aid to families with dependent children received by him for such month, plus the monthly insurance benefit received by him in such month, shall not be less than the sum of—

"(1) the aid to familes with dependent children which would have been received by him for such month under the plan as in effect for December 1974, plus

"(2) the monthly insurance benefit which was or would have been received by him for December 1974, plus the amount by which such benefit (effective for months after December 1974) was or would have been increased by such cost-of-living increase or general benefit increase,

whether this requirement is satisfied by disregarding a portion of his monthly insurance benefit or otherwise.".

SEC. 3. (a) Subsection (g) of section 415 of title 38, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying paragraph (1)(G) of this subsection, shall disregard any part of such benefits which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.".

(b) Section 503 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying subsection (a)(6) of this section, shall disregard any part of such benefits which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to

section 215(1) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.".

SEC. 4. Notwithstanding any other provision of law, in the case of any individual who is entitled for any month to a monthly benefit under the insurance program established by title II of the Social Security Act, any part of such benefit which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215 (i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(1)(3) of such Act, shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of such individual or his or her family or the household in which he or she lives—

(1) for participation in the food stamp program under the Food Stamp Act of 1964, or for surplus agricultural commodities under any Federal program providing for the donation or distribution of such commodities to low-income persons,

(2) for admission to, occupancy of, or fixing or adjusting rent for low-income housing under the United States Housing Act of 1937, or

(3) for any other aid or assistance in any form under a Federal program, or a State or local program financed in whole or part with Federal funds (including the Federal-State programs of aid and assistance under titles I, X, XIV, and XVI of the Social Security Act where such programs are effective), which conditions such eligibility to any extent upon the income or resources of such individual, family, or household,

or for purposes of determining the amount or extent of such participation or such aid, assistance, or benefits.

SEC. 5. The amendments made by the first section of this Act shall apply with respect to benefits for months after the month in which this Act is enacted. The amendments made by section 2 of this Act shall be effective with respect to calendar quarters beginning on or after the date of the enactment of this Act. The amendments made by section 3 of this Act shall apply with respect to annual income determination made pursuant to sections 415(g) and 503 (as in effect both on and after June 30, 1960) of title 38, United States Code, for calendar years after 1974. Section 4 of this Act shall be effective with respect to benefits, aid, or assistance furnished after the month in which this Act is enacted.●

RENEWING THE COUNTERCYCLICAL REVENUE SHARING PROGRAM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, the countercyclical revenue sharing program has been one of the most important methods by which the Federal Government has provided fiscal relief to State and local governments that have been hard hit by high unemployment. I am introducing a bill today that will reauthorize this vitally needed program and will concentrate its benefits on those governments that need them most.

Because the countercyclical program expired in September 30, 1978, and was not extended in the last Congress, States and localities were denied Federal funds that were specifically designed to help them deal with high unemployment and soaring inflation.

Even worse, the Carter administration specifically instructed many cities to include these funds in their 1979 budget. New York City, for example, was told to expect $140 million for fiscal year 1979, and Buffalo was told to plan on over $3 million. Both cities counted on these funds in their fiscal plans and the failure to provide them created serious fiscal difficulties for these cities. If the administration believes it is important to fulfill the pledges it has made to foreign countries, it should also be steadfast in fulfilling the promises it made to our own cities.

My bill changes the old countercyclical program in one important respect: State and local governments with an unemployment rate of 6 percent or higher will continue to receive countercyclical revenue sharing funds regardless of the national unemployment rate. This will target the funds to those localities that continue to lag behind the country as a whole economically and will allow the aid to be used by those governments most in need. New York City will receive $60 million a year.

Significantly, the fiscal year 1979 congressional budget already includes $550 million for the countercyclical program. Thus, this bill, which costs $550 million, is in no way a "budget breaker."

It is important to put the relatively moderate cost of this vital program in perspective. The cost overrun of a single Trident submarine is $750 million—$200 million more than the entire countercyclical revenue sharing program. If we can afford to build a Trident, we can surely afford to save our cities.

The Federal funds added by my bill will save jobs and prevent reductions in police, fire, education, and other essential services. At a time when many of our cities, including New York, are experiencing serious fiscal difficulties, it would be irresponsible for the Federal Government to withhold this critical program.

I strongly urge my colleagues support for this important legislation.

The text of the bill follows:

H.R.—

A bill to amend title II of the Public Works Employment Act of 1976 to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment

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 "Antirecession Supplementary Fiscal Assistance Amendments of 1979.".

SEC. 2. Section 201 of the Public Works Employment Act of 1976 (42 U.S.C. 6721) 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 "; and", and by adding at the end thereof the following new paragraph:

"(8) that a supplementary antirecession fiscal assistance program which aids local governments requiring fiscal relief constitutes an essential element of a sound Federal fiscal policy.".

SEC. 3. (a) The Public Works Employment Act of 1976 (42 U.S.C. 6721 et seq.) is amended by inserting after section 201 the following:

"Subtitle A—Antirecession Fiscal Assistance"

(b) Title II of the Public Works Employment Act of 1976 is amended by inserting after section 216 the following:

"Subtitle B—Supplementary Fiscal Assistance

"FINANCIAL ASSISTANCE AUTHORIZED

"SEC. 231. (a) IN GENERAL.—The Secretary shall, in accordance with the provisions of this subtitle, make payments to local governments with unemployment rates above 6 percent.

"(b) PAYMENTS TO RECIPIENT GOVERNMENTS.—The Secretary shall pay, not later than 5 days after the beginning of each calendar quarter for which payments are authorized under subsection (a), to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such government under section 232.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the first 8 calendar quarters beginning after September 30, 1978, $137,500,000, for the purpose of making payments to local governments under this subtitle.

"(d) SUSPENSION OF ASSISTANCE.—

"(1) SUSPENSION.—If the average rate of unemployment for any local government is below 6 percent during a calendar quarter, no amount may be paid to that local government under this subtitle for the third calendar quarter of the 3-calendar-quarter period which begins with such calendar quarter, or for any subsequent calendar quarter.

"(2) TERMINATION OF SUSPENSION.—Amounts may be paid under this subtitle for any calendar quarter beginning after a calendar quarter for which payments are suspended under paragraph (1) and for which the average rate of unemployment for each local government equals or exceeds 6 percent.

"ALLOCATION OF SUPPLEMENTARY AMOUNTS

"SEC. 232. (a) ALLOCATIONS TO LOCAL GOVERNMENTS.—

"(1) IN GENERAL.—The Secretary shall allocate amounts appropriated under the authorization contained in section 231(c) an amount for the purpose of making a payment to each local government, equal to the sum of—

"(A) the total amount appropriated for the calendar quarter multiplied by the applicable local government percentage, and

"(B) any supplemental allocation under section 206.

"(2) Applicable local government percentage.—For purposes of this subsection, the local government percentage is equal to the percentage resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local revenue sharing amount.

by the sum of such products for all local governments.

"(3) SPECIAL LIMITATION.—If the amount which would be allocated for a calendar quarter to any unit of local government under this subsection is less than $100, then no amount shall be allocated for such unit of local government under this subsection for such quarter.

"(4) SUPPLEMENTARY ANTIRECESSION FISCAL ASSISTANCE PAYMENT NOT IN EXCESS OF $10,000 TO BE COMBINED WITH GENERAL REVENUE SHARING PAYMENT.—If the amount of any payment to be made under this subtitle to a unit of local government is not more than $10,000 for a calendar quarter, the Secretary shall combine the amount of such payment with

the amount of any payment to be made to such unit under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.), and shall make a single payment to such unit at the time payments are made under that Act. Whenever the Secretary makes a single, combined payment to a unit of local government under this paragraph, he shall notify the unit as to which portion of the payment is allocable to amounts payable under this subtitle and which portion is allocable to amounts payable under that Act.

"(b) REALLOCATION OF UNDISTRIBUTED AMOUNTS.—If, for any calendar quarter, the amount appropriated under section 231(c) for payments to local governments exceeds the sum of the amounts payable to local governments because of the limitation contained in subsection (c)(3) or because of the suspension-of-payments requirements contained in subsection (c), then the Secretary shall reallocate the excess among local governments receiving payments for the calendar quarter and pay to each such local government an amount which bears the same ratio to the amount of the excess as the amount of the payment made to such government for the calendar quarter without regard to this subsection bears to the sum of the payments made to all local governments for the calendar quarter without regard to this subsection.

"(c) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any unit of local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such local government during the second most recent calendar quarter which ended before the beginning of such calendar quarter was equal to or less than 6 percent.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts may be paid under this subtitle to any local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows a calendar quarter for which the average rate of unemployment within the jurisdiction of the local government exceeds 6 percent.

"(d) For purposes of this subtitle, each term used in this section which is defined or described in paragraph (3) of section which is defined or described in paragraph (3) of section 203(c) shall have the meaning given to it in that paragraph.

"APPLICATION OF CERTAIN SUBTITLE A PROVISIONS TO THIS SUBTITLE

"SEC. 233. The provisions of sections 204, 205, 207, 208, 210(b), 211, 212, 213, and 214 shall apply to funds authorized under this subtitle.".●

COMMITMENT OF CRIMINALLY INSANE IN FEDERAL SYSTEM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to authorize the commitment of the criminally insane in our Federal system. At the present time in Federal courts, once people are acquitted of a violent crime because of insanity, they still must be released even if they pose an imminent threat to the life or physical safety of others. My bill would plug up this serious loophole in our Federal criminal law.

Under my bill, people who have committed violent crimes and are found likely to commit other such crimes can be hospitalized and treated rather than being turned loose to harm others.

My bill also attempts to assure that the procedures for commitment in such cases are fair and just. Thus, it sets up a two-step hearing process. Once a person is acquitted of a violent crime on grounds of insanity, the judge must first hold a hearing to determine if the person poses a likely danger to the safety of others. To make such a determination, the court is required to appoint two professional examiners and the acquitted person is entitled to designate a third examiner of his choice.

If the court finds that the acquitted person poses a danger to society, a second hearing is held to determine the facility to which he will be committed and the appropriate treatment. At the hearings, the acquitted person is entitled to be represented by counsel, to call witnesses and to cross-examine them. His fifth amendment right against self-incrimination is preserved.

My bill has another unique feature designed first, to insure that the mental institution in fact provides treatment and second, to safeguard against dangerous or inhumane treatment. Specifically, my bill creates a commitment review committee—made up of lay and professional persons—to review the adequacy and appropriateness of the treatment. The review committee may, if it wishes, evaluate the treatment at the request of the person who is being committed; it must review the treatment in cases involving shock therapy, behavior therapy using aversive stimuli or psychotropic drugs.

This proposed legislation, I believe, strikes an appropriate balance between the need to protect society from the criminally insane who have committed violent crimes and are likely to commit violent crimes again and the rights of such persons to due process, fair procedures, and safe and adequate treatment.

It is important that Congress deal promptly with this serious problem and I would urge speedy and favorable consideration of this measure.

The text follows:

H.R. —

A bill to amend title 18, United States Code, to provide for cases of persons acquitted of certain Federal offenses by reason of insanity

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 18, United States Code, is amended by adding immediately after part V the following new part:

"PART VI.—PERSONS ACQUITTED OF SERIOUS OFFENSES ON THE BASIS OF INSANITY

"Sec.
"7001. Procedure on acquittal on the basis of insanity.
"7002. Examination of acquitted person.
"7003. Right to counsel.
"7004. Custody during examination period.
"7005. Examiners' reports.
"7006. Hearing on commitment.
"7007. Hearing on treatment.
"7008. Commitment Review Committees.
"7009. Report and hearing.
"7010. Privacy of records.
"7011. Prohibition of transfer to a penal institution.
"7012. Maximum period of commitment.
"7013. Definitions.

"§ 7001. Procedure on acquittal on basis of insanity

"(a) If in a court of the United States a person is found not guilty of a violent offense only because such person was insane at the time of the commission of such offense, the fact of such insanity shall be noted in the verdict and such person shall be subject to the procedures set forth in this part.

"(b) After judgment is entered upon a verdict containing a notation of insanity described in subsection (a), the court shall immediately order the acquitted person to be examined in accordance with this part.

"§ 7002. Examination of acquitted person.

"(a)(1) When the court issues an order under section 7001(b) with respect to an acquitted person, the court shall appoint two examiners to examine such person.

"(2) In addition to the two examiners appointed pursuant to paragraph (1), an acquitted person may be examined by any examiner chosen by such person. The fees and expenses of each such examiner shall be paid by such person.

"(3)(A) If the court determines that the acquitted person is financially unable to obtain an examiner under paragraph (2), the acquitted person may petition the court, not later than ten days after the date on which the court issues an order under section 7001 (b) with respect to that acquitted person, to appoint an examiner.

"(B) The court shall appoint an examiner designated by an acquitted person unless the court determines the appointment of such examiner would cause unreasonable delay or expense.

"(4) The court shall pay any expenses necessarily incident to an examination by an examiner appointed pursuant to paragraph (1) or (3).

"§ 7003. Right to counsel

"An acquitted person has the right to be represented by counsel at every stage of any proceeding conducted under this part. If such person is financially unable to obtain counsel, the court shall pay the fees of an appointed counsel and any expenses necessarily incurred by such appointed counsel incident to the representation of such person.

"§ 7004. Custody during examination period

"During the period beginning at the time the court issues an order under section 7001 (b) and ending at the time the hearing conducted in accordance with section 7006 is concluded, the acquitted person shall be confined to a mental treatment facility if—

"(1) the court determines that because of a mental disease or defect of such person, the release of such person is more likely than not to create a danger of bodily harm to other persons; or

"(2) such confinement for such period of time is necessary to conduct an examination authorized by this part.

"§ 7005. Examiners' reports

"(a) Each examiner appointed or chosen under section 7002(a) shall file with the court, and supply to such person or any attorney representing such person, a report satisfying the standards prescribed under subsection (b). An examiner shall file such report—

"(1) not more than thirty days after the date on which such examiner is appointed or chosen; and

"(2) not more than forty-five days after the date on which with respect to such person judgment is entered upon a verdict containing a notation described in section 7001(a).

"(b)(1) The examiner's report filed pursuant to subsection (a) shall be divided into two portions, each of which shall be separately sealed.

"(2) One portion of such report shall be

designated as the commitment material and shall contain—

"(A) a summary of the techniques, processes, and tests used in examining and evaluating the acquitted person with respect to whom such report is filed; and

"(B) detailed findings with respect to the mental and emotional condition of such person and a description of the factual information upon which such findings are based.

"(3) A second portion of such report shall be designated as the treatment material and shall contain—

"(A) the opinion of the examiner as to the prognosis for treatment of such person;

"(B) the opinion of the examiner as to whether such person should be confined to a mental treatment facility or have the status of out-patient is recommended; and

"(C) the recommendation of the examiner as to any treatment appropriate for such person, the expected length of the period during which any such treatment is necessary, and an identification of mental treatment facilities available to administer any such treatment.

"(c) Immediately after the examiner's report is filed pursuant to subsection (a), the commitment material contained in such report shall be made available for examination by the acquitted person with respect to whom such report is filed, and any attorney representing such person.

"§ 7006. Hearing on commitment

"(a) Not later than 60 days after the date on which judgment is entered upon a verdict containing a notation described in section 7001(a), unless the acquitted person consents to any delay, a hearing shall be conducted by the court to determine whether the acquitted person is to receive treatment from a mental treatment facility.

"(b)(1) At any hearing described in subsection (a), an acquitted person shall have the right to present evidence, subpena witnesses, and confront and cross-examine witnesses.

"(2) An acquitted person shall have the right to refuse to testify at any hearing described in subsection (a).

"(c) At the conclusion of presentation of the evidence at any hearing described in subsection (a), the court shall determine if the United States has proved by clear and convincing evidence that because of a mental disease or defect of the acquitted person, it is more likely than not that the release of such person would create a danger of bodily harm to other persons.

"(d) If the court does not determine under subsection (c) that the release of the acquitted person would create a danger of bodily harm of other persons, the court shall order such person released forthwith.

"§ 7007. Hearing on treatment

"(a) If the court makes a determination under section 7006(c) that it is more likely than not that the release of such acquitted person would create a danger of bodily harm to other persons, the court shall examine the treatment material relating to that person and shall make such material available to the acquitted person, the attorney representing such acquitted person, and the United States attorney. As soon as practicable after such material has been so examined and made available, the court shall conduct a hearing to determine the mental treatment facility to which such person shall be committed. At any such hearing, an acquitted person shall have the right to present evidence, subpena witnesses, and cross-examine witnesses.

"(b) Not later than seven days after the date on which a hearing on treatment is concluded, the court shall commit the acquitted person with respect to whom such hearing is conducted to a mental treatment facility for treatment—

"(A) as an outpatient; or

"(B) as a resident patient.

"§ 7008. Commitment Review Committees

"(a) An acquitted person may refuse any treatment under this part.

"(b) There is established in each judicial district of the United States a Commitment Review Committee (hereinafter in this part referred to as the 'Committee') which shall be composed of five members appointed by the Secretary of Health, Education, and Welfare (hereinafter in this part referred to as the 'Secretary').

"(c) Subject to subsection (c)(2), the Committee shall be composed of—

"(1) a psychiatrist;

"(2) a clinical psychologist;

"(3) a mental health professional other than a psychiatrist or clinical psychologist;

(4) a citizen who resides in the judicial district in which such Committee is established and who is not employed or trained in any profession named in paragraph (1), (2), or (3); and

"(5) an attorney.

"(d)(1) Each member of a Committee shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–15 of the General Schedule (as provided in section 5332 of title 5, United States Code) for each day during which such member performs duties of such Committee.

"(2) A member of a Committee may not be an officer or employee of the United States.

"(e)(1) The Committee shall review the treatment of an acquitted person in accordance with this subsection.

"(2) The Committee may review on its own motion, and shall review, at the request of such person or any agent in fact representing such person, the treatment of an acquitted person to determine if the Committee should recommend to the court that such person should be transferred to another mental treatment facility, should receive different treatment, or should be released. If the Committee makes such a recommendation, the court shall promptly hold a hearing to consider the Committee's recommendation.

"(3)(A) If the mental treatment facility to which an acquitted person has been committed proposes to administer to such person any treatment described in subparagraph (B), the Committee shall review such proposal to determine if the acquitted person lacks the capacity to make an informed decision with respect to treatment and, if the Committee finds the lack of such capacity, shall recommend to the court whether such treatment should be administered.

"(B) Treatment of an acquitted person is subject to review pursuant to subparagraph (A) if such treatment is—

"(i) electroconvulsive therapy;

"(ii) behavior therapy involving aversive stimuli or substantial deprivations; or

"(iii) psychotropic medication—

"(I) the prescribed dosage of which exceeds levels recommended by the Food and Drug Administration;

"(II) two or more types of which are to be administered to such person simultaneously; or

"(III) with respect to which a pharmacist, physician, or pharmacologist has made a written declaration that potential hazards outweigh potential benefits to such person.

"§ 7009. Report and hearing

"(a)(1) Not later than six months after the date on which an acquitted person is committed to a mental treatment facility pursuant to section 7007(b), and at the conclusion of each one-year period thereafter, such facility shall file with the court, with the attorney representing the United States in proceedings under this part dealing with such person, and with any attorney representing such person a written report dealing with the current mental condition of such person. Such report shall contain—

"(A) a summary of treatment methods used and medication administered;

"(B) an analysis of any change in condition of such person;

"(C) an opinion as to whether because of a mental disease or defect of such person, the release of such person would create a substantial danger of bodily harm to other persons;

"(D) a description of factual information upon which the opinion rendered pursuant to subparagraph (C) is based; and

"(E) future treatment plans with respect to such person.

"(b) Not later than 30 days after the date on which the court receives a report described in subsection (a), the court shall conduct a hearing to determine if because of a mental disease or defect of the acquitted person with respect to whom such report is filed, it is more likely than not that the release of such person would create a danger of bodily harm to other persons. If the court determines that such person should remain confined, the court shall determine if such person should be transferred to a different mental treatment facility or if the status of such person as a resident patient or outpatient should be changed.

"(c) Any hearing conducted pursuant to subsection (b) shall be conducted in the same manner and subject to the same requirements as any hearing conducted pursuant to subsections (b) and (c) of section 7006.

"(d) An acquitted person may petition the court for examination by an examiner chosen by such person in preparation for a hearing conducted pursuant to subsection (b). Such examiner may be chosen and compensated by such person or appointed in the same manner and under the same terms and conditions prescribed for the appointment of examiners under section 7002(a).

"§ 7010. Privacy of records

"Except as otherwise provided in this part, any report to the court or other filing made with respect to an acquitted person under this part shall not be placed in that person's court record but shall be maintained separately and be made available only to such persons as the court in the interest of justice may direct.

"§ 7011. Prohibition of transfer to a penal institution

"At no time, under this part, shall the court order that an acquitted person be placed in a penal or correctional institution.

"§ 7012. Maximum period of commitment

"The maximum period of time that an acquitted person may be committed for treatment under this part is the period ending on the earliest date such person would be eligible for release on parole if such person had been sentenced to the maximum term of imprisonment which could have been imposed for commission of the offense of which such person was acquitted.

"§ 7013. Definitions

"For purposes of this part the following definitions apply:

"(1) The term 'psychiatrist' means a physician who has completed three years of residency training in psychiatry in a program approved by the American Medical Association.

"(2) The term 'clinical psychologist' means a person who has received a doctoral degree in a clinical program accredited by the American Psychological Association and who has at least three years experience in the treatment and diagnosis of serious mental diseases or defects.

"(3) The term 'examiner' means a psychiatrist or a clinical psychologist.

"(4) The term 'mental treatment facility' means any hospital, clinic, or other institution which is accredited by the Joint Commission on the Accreditation of Hospitals and which is devoted primarily to the diagnosis, treatment, or rehabilitation of persons with mental diseases or defects.

"(5) The term 'lacks the capacity to make an informed decision with respect to treat-

ment' means the inability of a person, by reason of mental disease or defect, to achieve a rudimentary understanding of the purpose, nature, and possible consequences of mental treatment, after any other person has made conscientious efforts at explanation.

"(6) The term 'acquitted person' means a person who is found not guilty of a violent offense because such person was insane at the time of the commission of such offense.

"(7) The term 'violent offense' means an offense involving serious bodily harm to others or a substantial risk of such harm.

"(8) The term 'mental health professional' means a person who is trained or employed in the area of diagnosis, treatment, or rehabilitation of persons with mental diseases or defects.".

(b) (1) The table of parts for such title 18 is amended by adding at the end thereof the following new item:

"VI. Persons Acquitted of Serious Offenses on the Basis of Insanity ---------- 7001".

(2) The table of chapters for such title 18 is amended by adding at the end thereof the following new item:

"PART VI.—PERSONS ACQUITTED OF SERIOUS OFFENSES ON THE BASIS OF INSANITY".

SEC. 2. There are authorized to be appropriated for the purposes of this Act such sums as may be necessary.

SEC. 3. The amendments made by this Act shall become effective on the date 180 days after the date of enactment of this Act.●

MEDICARE COVERAGE FOR BREAST CANCER

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, every 15 minutes an American woman dies of breast cancer. The incidence of this disease has reached staggering proportions. Breast cancer is expected to strike about 1 in every 15 American woman, and half of these women will die of the disease. A number of these deaths might be prevented by early detection of the cancer.

Today I am introducing a bill to provide medicare coverage for breast cancer detection. My bill will insure that virtually every elderly woman, regardless of financial means, will be able to help protect herself against this disease.

Medicare coverage is not now available for preventive examinations even though the risk of breast cancer increases dramatically with age. Women between the ages of 60 and 70 are 10 times more likely to develop breast cancer than women of 30 and twice as likely as women of 40.

Without medicare, many elderly women may not be able to afford examinations. Sixty percent of our elderly woman live below the poverty level. For them, as well as others, medicare coverage for breast cancer detection may mean the difference between life and death.

Lives may be lengthened if breast cancer is detected early enough. Mammography and xeromammography are new tests that have proved effective for elderly people in the early detection of breast cancer. Physical examination by a physician is still one of the most useful diagnostic methods.

The bill I am introducing today would provide medicare coverage for one mammography and xeromammography per year and one physician's examination every 6 months.

I urge enactment of this bill. The text follows:

H.R. —

A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for certain diagnostic tests and examinations given for the detection of breast cancer

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1862(a)(7) of the Social Security Act is amended by inserting "(subject to the last sentence of this subsection)" after "routine physical checkups".

(b) Section 1862(a) of such Act is further amended by adding at the end thereof (after and below paragraph (13)) the following new sentence:

"Paragraph (7) shall not be applicable to expenses incurred for (i) a mammography or xeroradiomammography (given for the purpose of detecting breast cancer) if the individual receiving it has not undergone a similar procedure on a routine basis during the preceding twelve months, or (ii) a physical examination of the breast by a physician (given for such purpose) if the individual receiving it has not had such an examination on a routine basis during the preceding six months.".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to items and services furnished on or after the first day of the month following the month in which this Act is enacted.●

SUPPLEMENTAL HOUSING ALLOWANCE FOR NEEDY UNDER SSI

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I have on numerous occasions pointed out the failure of the supplemental security income (SSI) program to meet the needs of many poverty-stricken, aged, blind, and disabled Americans. I am introducing today legislation to provide relief, through a supplemental housing allowance, to those people who have suffered most under SSI—persons who cannot meet their most basic living expenses because of the high rents or housing costs they are forced to pay.

A fundamental defect in SSI stems from its structure as an income program. Benefits are uniform, determined without regard to the actual living costs of individual recipients. Thus, people whose living costs are relatively high receive the same benefits as those with lower expenses, and as a consequence often cannot make ends meet.

On the basis of experience with my own constituents, I have found that the greatest financial burden facing the elderly and disabled poor is the cost of housing. In my district, for example, I have encountered elderly individuals living alone paying rents as high as $150 or $160 a month. I might note that such a rent is not unusual nor does it represent luxury housing. A person in those circumstances whose monthly income is $239 may, after paying for gas and electricity, a telephone, and personal necessities such as soap, aspirin, toilet paper, and laundry, have less than $1 a day with which to purchase food.

This situation is not unique to New York. An elderly person in Texas paying $100 in rent out of a $178 benefit and a blind couple in Illinois facing monthly mortgage payments of $160 out of a benefit of $267 are in the same desperate condition.

This crisis in housing costs for the aged, blind, and disabled poor is likely to grow worse in the coming years. The President's energy program and the actions of the OPEC nations will cause major increases in the costs of gas, electricity, and home and water heating. The elderly and disabled poor living on SSI will not be able to meet these rising costs.

My bill will prevent this intolerable hardship by providing a supplemental housing allowance of up to $50 per month for an individual or couple whose rent or housing costs exceed one-third of monthly income. It would allow a couple paying $160 for rent or mortgage out of a total monthly income of $267 to receive an additional $50 per month. Such a payment would, for many recipients, make the difference between desperation and survival.

I would stress that this bill is not an extravagant measure. It uses 33⅓ percent of gross income as a trigger for eligibility while public housing requires tenants to pay no more than 25 percent of an adjusted income. The Department of Labor estimates that rent for a low-income couple should amount to 27 percent of income. The housing supplement would thus be crucial to SSI recipients who face extremely high housing costs. My bill retains the basis structure of SSI as an income program, but gives it the flexibility to meet the needs of recipients while avoiding a costly general benefit increase.

Mr. Speaker, I believe that the minimal test of our decency and humanity as a nation is in how we treat our most helpless people—the aged, blind, and disabled poor. The bill I am introducing today is an effort to meet that test. I urge its passage.

The text follows:

H.R. —

A bill to provide a supplementary housing allowance to supplemental security income recipients

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTARY HOUSING BENEFITS

"SEC. 1619. (a) In addition to other benefits under this title, the Secretary shall grant full financial assistance to any individual who makes application therefor, who is an eligible individual for purposes of this title, and whose annual housing expenses exceed 33⅓ per centum of his or her annual income (which for purposes of this section shall include benefits paid under section 1611 and any income which would otherwise be excluded pursuant to section 1612(b)).

"(b) For purposes of this section, an individual's annual housing expenses shall consist of such individual's annual expenses for rent or for mortgage payments and real

estate taxes, together with such individual's annual expenses for gas and electric utilities and home and water heating.

"(c) The benefit under this section shall be payable at a rate which is the lesser of—

"(1) $600, or

"(2) the amount by which such individual's annual housing expenses exceed 33⅓ per centum of his or her annual income.

"(d) If two aged, blind, or disabled individuals are husband and wife (which shall be determined in accordance with section 1614 (d)) and are not living apart from each other, only one of them may be qualified to receive benefits under this section; and the income and annual housing expenses of the other shall be included for purposes of determinations under this section to the same extent as they would be if such determinations involved eligibility for and amount of benefits under section 1611.

"(e) The Secretary shall administer this section and shall prescribe such regulations as may be necessary or appropriate to effectuate its purposes and conform its administration, to the maximum extent feasible, to the general administration of the supplemental security income benefits program under this title.".●

LEGISLATION TO ELIMINATE IMMIGRATION DISCRIMINATION AGAINST FATHERS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to change a provision of the immigration law that discriminates against fathers. Under section 101(b)(1) of the Immigration and Nationality Act, an illegitimate child can be brought into the United States by its mother, or even by an unrelated stepmother. The child cannot, however, be brought in by its natural father. Even when its mother has died or abandoned it, the illegitimate child cannot be brought into the United States by its U.S. citizen father.

Similarly, illegitimate children who are U.S. citizens may bring their mothers or stepmothers to the United States, but not their fathers.

This is blatant sex discrimination against fathers. The immigration law says in effect that the father of an illegitimate child is not a "parent" and that his illegitimate child is not a "child." But saying so does not make it so. Fathers can have a deep and abiding relationship with their children regardless of whether they were married to the mothers of these children. To pretend otherwise is cruel and inhumane. It is blatantly discriminatory to deny a father, solely on the basis of his sex, rights that a mother has.

The law is not designed to protect against false paternity claims since the natural father is not even permitted to offer proof of paternity. It is not designed to prevent "kidnaping" of illegitimate children by parents without legal custody since their mothers or stepmothers are not required to prove an award of custody and the father is not even permitted to do so. The law is not designed to keep children out of the hands of unfit parents since the mother or stepmother need make no proof of fitness. The law reflects, rather, a destructive and irrational stereotyping by sex: rights are given to a mother or stepmother but denied to a father without any justification.

This discriminatory law is, I believe, unconstitutional as well. Only 3 years ago the U.S. Supreme Court decided a very similar case in Stanley against Illinois. Under Illinois law the father of an illegitimate child was denied custody of his child even though the child's mother was dead. The Illinois statute preferred to place the illegitimate child in an orphanage rather than permit the natural father to have custody. The Supreme Court found such discriminatory treatment unconstitutional and held that the father of an illegitimate child must be considered a parent under the law.

More recently the Supreme Court said:

It is no less important for a child to be cared for by its . . . parent when that parent is male rather than female. And a father, no less than a mother, has a constitutionally protected right to the "companionship, care, custody and management of the children he has sired and raised. . . .

Section 101(b)(1) of the immigration law works a continuous hardship on illegitimate children and their fathers who wish to be together.

I would urge prompt passage of my bill so that we can accord fathers and their natural children the due process and equal protection of the law guaranteed to them by our Constitution.

The text of the bill follows:

H.R. —

A bill to amend section 101(b) of the Immigration and Nationality Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(b)(1) is amended—

(1) by striking out clause (C);

(2) by redesignating clauses (D), (E), and (F) as (C), (D), and (E), respectively; and

(3) by striking out the semicolon at the end of the clause redesignated as (C) by paragraph (2) of this section and by inserting in lieu thereof "or natural father; or".●

LEGISLATION TO ELIMINATE DISCRIMINATION AGAINST WORKING WIDOWS UNDER SOCIAL SECURITY

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing today an amendment to the social security laws to remedy present discrimination against widows who have worked.

At present a widow who has worked is faced with a difficult problem: She may receive either her own old-age benefit or a widow's benefit based on her husband's earnings—but not both. Since the widow's benefit is usually the larger, she will ordinarily receive that benefit and thereby lose her own contributions to the social security trust fund. As a result, most working widows collect exactly the same benefit as widows who have never worked.

The unfairness inherent in the law is clear. Not only does the working widow collect no more than the widow who did not work, but she also loses everything she has contributed to the trust fund over the years. I think this law is an unfair restriction on the working spouses' right to receive social security benefits they have paid for through the payroll tax.

Under my bill, the working woman would be entitled to collect both her own old-age benefit and her widow's benefit when her husband dies. The bill would equally apply to men, allowing those eligible to collect a widower's benefit also to collect an old-age benefit.

In recent years we have witnessed a number of significant changes in the social security laws designed to end discriminatory treatment of women. The need for continued improvement is underscored by the disturbing fact that six out of 10 elderly women who live alone have incomes below the poverty line. My bill would be an important step toward providing a decent standard of living for widows and eliminating inequities by recognizing that the working woman should collect benefits she has earned in her own right as well as those the law provides her as a surviving spouse.

The text follows:

H.R. —

A bill to amend title II of the Social Security Act to provide that an individual may simultaneously receive (without any reduction or offset) both an old-age or disability insurance benefit and a widow's or widower's insurance benefit

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202(k)(3)(A) of the Social Security Act is amended by inserting "(except a widow's or widower's insurance benefit)" after "any other monthly insurance benefit".

SEC. 2. (a) Section 202(e)(1) of the Social Security Act is amended—

(1) by adding "and" after the comma at the end of subparagraph (B),

(2) by striking out "and" at the end of subparagraph (C),

(3) by striking out subparagraph (D),

(4) by striking out ", dies, becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of such deceased individual," in the matter following subparagraph (F) and inserting in lieu thereof "or dies,", and

(5) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(b) Section 202(f)(1) of such Act is amended—

(1) by adding "and" after the comma at the end of subparagraph (C),

(2) by striking out subparagraph (E),

(3) by striking out ", dies, or becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of his deceased wife," in the matter following subparagraph (G) and inserting in lieu thereof "or dies,", and

(4) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

(c)(1) Section 202(e)(6) of such Act is amended by striking out "(1)(F)" and inserting in lieu thereof "(1)(E)".

(2) Section 202(f)(7) of such Act is amended by striking out "(1)(G)" and inserting in lieu thereof "(1)(F)".

(d) Section 226(h)(1)(B) of such Act is amended by striking out "subparagraph (F)" and "subparagraph (G)" and inserting in lieu thereof "subparagraph (E)" and "subparagraph (F)", respectively.

SEC. 3. Section 202(k)(3)(A) of the Social Security Act (as amended by the first section of this Act) is amended—

(1) by inserting "(i)" after "(A)"; and

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

"(ii) If any individual entitled both to an old-age or disability insurance benefit and a widow's or widower's insurance benefit for any month is also entitled for such month to one or more other benefits under the preceding provisions of this section, his or her widow's or widower's insurance benefit (or the largest such benefit) shall be considered the largest benefit to which he or she is entitled under subsections (b) through (h) of this section for purposes of subparagraph (B) of paragraph (2) or subparagraph (B) of this paragraph, and he or she shall not be entitled to any benefit under subsections (b) through (h) other than such widow's or widower's insurance benefit (or the largest such benefit), unless (as determined under regulations prescribed by the Secretary) the total amount of the benefit or benefits which such individual actually receives for such month under this title would be greater without the application of this clause, in which case this clause shall be disregarded and all of the other provisions of this subsection shall apply."

SEC. 4. The amendments made by this Act shall apply only with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, and, in the case of individuals who are not entitled to benefits under such title for the month in which this Act is enacted, only on the basis of applications filed on or after the date of the enactment of this Act.●

ASSISTANCE TO IMPROVE HOUSING AND PREVENT NEIGHBORHOOD DETERIORATION

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing legislation to assist responsible community organizations, including nonprofit corporations, in their efforts to improve housing in their own communities and prevent neighborhood deterioration.

The bill authorizes funding for neighborhood improvements by community organizations. The Secretary of Housing and Urban Development would be empowered to make community restoration grants to local governments which in turn would allocate this money to help neighborhood development, identify and publicize available housing services, and secure financial assistance for their neighborhood improvement efforts.

The bill authorizes a maximum of $5 million a year for the next 3 fiscal years and contains auditing and evaluation provisions to insure the efficient and honest use of funds.

Neighborhood preservation activities of community groups deserve Federal support for two reasons.

First, there is ample evidence that local community groups, when they have sufficient financial resources, can make impressive strides toward community restoration. For example, a neighborhood in my congressional district, Prospect-Lefferts Gardens, dramatically reversed its physical and economic decline and is well on the way to becoming a viable integrated residential community. Similar successes in other cities were recorded in recent congressional hearings on the National Neighborhood Policy Act.

Unfortunately, neighborhood groups that can develop adequate private funding sources are the exception, not the rule. Community residents and institutions are often not willing to lend significant financial support to their neighborhood organization until it achieves visible results—results that it, ironically, cannot achieve without such support. Also, funding for restoration activity is generally least available in neighborhoods where it is most needed. The bill seeks to alleviate these financial problems by providing needed money to organizations that show a real capacity for neighborhood improvement.

Second, the bill will foster resident interest in the process of community restoration, an interest that will be crucial to the success of future Federal programs. Secretary Harris has pledged to make HUD programs more responsive to neighborhood development and restoration, and a recent law has established a National Commission on Neighborhoods. These initiatives aim to produce future Federal policies and programs more attuned to neighborhood objectives.

To be effective, however, these new initiatives will have to be coordinated with other private community development efforts at the neighborhood level. Effective neighborhood organizations can be the essential point for this coordination.

The bill I introduce today is consistent with the approach of the 1974 Housing and Community Development Act. It allows power over disbursement of grant funds to be retained in the hands of local elected officials. It maximizes the options available to local governments by permitting them to invest in neighborhood preservations efforts without jeopardizing their current usage of community development block grants. The bill employs the 1974 act's criteria for determining the eligibility of local government units.

I hope the bill will receive careful and favorable consideration.

The text of the bill follows:

H.R.—

A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing grants to be used to fund local programs designed to improve housing and prevent neighborhood deterioration

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 "Community Restoration Act".

SEC. 2. The Housing and Community Development Act of 1974 is amended by adding the following new section at the end thereof:

"FUNDING OF NONPROFIT NEIGHBORHOOD ORGANIZATIONS

"SEC. 119. (a) The Secretary may make grants to units of general local government for the purpose of funding the activities, as described in subsection (b), of any nonprofit community organization which, as determined by the unit of general local government receiving the grant, (1) has a demonstrated record of effective action in providing neighborhood service or improving housing or preventing neighborhood deterioration within the jurisdictional boundaries of such unit of general local government, and (2) has demonstrated a capacity for administering grants effectively and honestly.

"(b) Funds received by a unit of general local government under this section shall be made available by such unit to any nonprofit community organization described in subsection (a). Such organization shall use such funds to support activities (including the payment of salaries and incidental expenses) by the organization which are designed to—

"(1) unite the community in support of specific housing goals for a neighborhood;

"(2) encourage and facilitate community participation in planning community development activities and making community development decisions;

"(3) inform homeowners, landlords, and tenants of available housing services; and

"(4) stabilize neighborhoods and assist neighborhood residents in securing Federal, State, and local financial assistance and in securing aid from private lending institutions for improving housing and community development.

"(c) In making grants under this title, the Secretary shall consider—

"(1) whether the proposal contained in the application by the unit of general local government is reasonably calculated to have a positive effect on the preservation, stabilization, or improvement of neighborhoods; and

"(2) the actual, or potential for, deterioration within the neighborhoods located in such unit of general local government.

"(d) Any grant made by a unit of general local government to any nonprofit community organization under this section may not exceed $50,000 in any fiscal year, and no more than one such grant may be made to the same organization within a fiscal year.

"(e) In addition to other authorizations for appropriations in this title, there is authorized to be appropriated not to exceed $5,000,000 for each of the fiscal years 1978, 1979, and 1980 for the purpose of carrying out the provisions of this section.

"(f) For purposes of this section, the term 'nonprofit community organization' means any organization, whether incorporated or not, which meets criteria prescribed, by rule, by the Secretary for the purposes of this section, as determined by a unit of general local government.

"(g) The Secretary shall insure that the effectiveness of each grant made under this section is evaluated and that appropriate procedures are created for auditing, and accounting for, all moneys received and spent by units of general local government and nonprofit community organizations funded under this section. As a condition of receipt of any funds under this section, the Secretary shall require that a unit of general local government and a nonprofit community organization shall agree to make available books or other records which pertain to the receipt and expenditure of any funds so received.".●

AMENDING FEDERAL COURT RULES ENABLING ACT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to amend the Rules Enabling Act, and thus the rulemaking procedures for the Federal courts. The bill has two objectives: The first is to insure that Federal court rules, which

critically affect the rights of our citizens, will be proposed only after the most careful consideration and with the benefit of public participation. The second is to strengthen the ability of Congress to disapprove ill-advised rules.

Under present law, Federal court rules are promulgated by the Supreme Court, but they are in fact drafted by the Judicial Conference, a group composed of Federal judges.

The rules which come to the Supreme Court for approval have often not been as good as they could be. One reason is that the Judicial Conference drafts rules behind closed doors without the benefit of widespread comment by the bar and interested public. It does not have published procedures. Until recently, no public hearings were held and the record of advisory committee votes on particular rules and dissenting views were never made public.

The best evidence of the inadequacy of the rulemaking procedures is that four times in the last 5 years Congress has had to step in and revise the proposed rules.

My bill addresses these problems by opening up the process by which the Judicial Conference adopts rules so that the rules promulgated will have the benefit of widespread comment from the bar and the public. Specifically, the bill would require that the Judicial Conference establish regular procedures—through publication in the Federal Register—for promulgating rules. It would further require that when the Judicial Conference decides to consider rule changes that it publish, 90 days before their formal consideration, a list of the changes under consideration and the issues raised by such changes in the Federal Register and Federal Rules Decisions.

The Judicial Conference would be required to seek out comments from the public and the bar and hold public hearings on rule changes. It would then be required to publish a record of the votes taken within the Conference on particular rules and publish any dissenting views.

Under the present system, it is difficult for Congress to block proposed rules, no matter how ill-advised they may be. Unless a statute is passed within 90 days, the rules go into effect automatically. This means that bad rules can go into effect by default if both Houses cannot agree, one House fails to act, or the President refuses to sign the bill. In my judgment, these procedures are inconsistent with the responsibility of the Congress—coequal with that of the Judicial Branch—to provide rules for the operation of the courts. My bill would resolve this problem by allowing for disapproval of the rules by one House.

The bill, I believe, will substantially improve the quality of the rules promulgated for Federal courts and relieve Congress of its present burden of preventing the damage ill-considered rules could cause.

The text of the bill follows:

H.R.—

A bill to amend the provisions of title 18 and 28 that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the United States Supreme Court, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rules Enabling Act Amendments Act of 1979".

CRIMINAL CASES

SEC. 2. Chapter 237 of title 18 of the United States Code is amended to read as follows:

"Chapter 237.—RULES OF CRIMINAL PROCEDURE

"Sec.
"3771. Power of Supreme Court.
"3772. Effect of laws and prior rules.
"3773. Manner of prescribing rules.
"3774. Effect of rules.

"§ 3771. Power of Supreme Court

"(a) The Supreme Court of the United States shall have the power to prescribe, upon the recommendation of the Judicial Conference of the United States, from time to time, rules of pleading, practice, and procedure with respect to any or all proceedings, before or after verdict or otherwise, in criminal cases and proceedings to punish for criminal contempt in the United States district courts, in the district courts for the Districts of the Canal Zone and the Virgin Islands, in the Supreme Court of Puerto Rico, in proceedings before United States magistrates, in the United States courts of appeals.

"(b) This section does not give the Supreme Court of the United States the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application is made not later than the tenth day after the date of entry of such plea, and before sentence is imposed.

"(c) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right to trial by jury as at common law and as declared by the Constitution of the United States.

"§ 3772. Effect of laws and prior rules

"(a) The right of appeal shall continue in those cases in which appeals are authorized by law, but the rules made under this chapter may prescribe the times for and the manner of taking appeals, preparing records and bills of exceptions, and the conditions on which supersedes or bail may be allowed.

"(b) Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this subsection takes effect.

"§ 3773. Manner of prescribing rules

"Rules prescribed under this chapter shall be prescribed in the same manner as rules prescribed under section 2074 of title 28.

"§ 3774. Effect of rules

"The Supreme Court of the United States may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.".

CASES OTHER THAN CRIMINAL CASES

SEC. 3. Chapter 131 of title 28 of the United States Code is amended—

(1) in section 2071, by inserting after "Supreme Court" the second place it appears the following: "under an Act of Congress.";

(2) by striking out section 2072 and all that follows through section 2076 and inserting in lieu thereof the following:

"§ 2072. Power of Supreme Court

"(a) The Supreme Court of the United States, upon the recommendation of the Judicial Conference of the United States (hereinafter in this chapter referred to as the 'Judicial Conference') shall have the power to prescribe in accordance with section 2074 from time to time, by general rules—

"(1) the pleading, practice, and procedure of the district courts and courts of appeals of the United States in civil actions, including admiralty and wartime cases, and appeals in such cases;

"(2) the pleading, practice, and procedure in proceedings for the review by the courts of appeals of decisions of the Tax Court of the United States;

"(3) the pleading, practice, and procedure for the judicial review of or enforcement of orders of administrative agencies, boards, commissions, and officers;

"(4) the practice and procedure under the Bankruptcy Act; and

"(5) rules of evidence, in the form of amendments to the Federal Rules of Evidence.

"(b) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right of trial by jury as at common law and as declared by the seventh amendment to the Constitution.

"§ 2073. Effect of prior rules

"Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this section takes effect.

"§ 2074. Manner of prescribing rules

"(a) The Judicial Conference shall publish from time to time in the Federal Register a description of the procedures the Judicial Conference adopts with respect to the functions of the Judicial Conference under this chapter. Such procedures shall be in conformity with this section. The Judicial Conference shall also submit such description to any appropriate private publishers of regularly issued materials published for the legal community for inclusion in such materials.

"(b) The Judicial Conference shall publish in the Federal Register, and submit to private publishers as described in subsection (a) of this section, not later than ninety days before the date on which formal consideration is to be given to a proposed rule under this chapter, a notice of such proposal, including a list of issues that the proposal raises and any copy of the proposal, if such copy is then available. No rule that concerns an issue required to be listed under this subsection shall be recommended to the United States Supreme Court by the Judicial Conference until after such issue is listed in such list and such list has been published in accordance with this subsection and furnished in accordance with subsection (c) of this section.

"(c) The Judicial Conference shall seek comment on the proposal from a wide variety of persons and organizations that may be affected by the adoption of the proposal. The Judicial Conference shall in addition furnish to the extent practicable the notice, list, and copy required by subsection (b) of this section to organizations representing those segments of the legal community that are concerned or have in the past indicated a concern with matters the proposal affects, and to an appropriate committee of each House of Congress.

"(d) The Judicial Conference shall accept and consider timely written comments on such proposals. The Judicial Conference shall hold hearings (and maintain available to the public a transcript of such hearings) on matters before it for consideration under this chapter.

"(e) The number of votes in favor of and opposing the adoption of a rule that is recommended to the Supreme Court of the United States by the Judicial Conference shall be recorded and published in the Fed-

eral Register and submitted to private publishers as described under subsection (a) of this section together with the recommended rule, any dissenting views submitted in a timely fashion, and an explanation of why such rule was recommended and why any changes were made if such changes were made to the rule as proposed by an advisory committee.

"(f)(1) Rules adopted by the Supreme Court of the United States under this chapter shall not take effect until they have been reported to the Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the first day of May, and until the expiration of one hundred and eighty days after the date of such reporting. Such a rule so reported shall not take effect if either House adopts before the expiration of such one-hundred-and-eighty-day period a resolution stating in substance that such House disapproves such rule.

(2) Any rule creating, abolishing, or modifying an evidentiary privilege shall have no force or effect unless such rule or amendment is approved by Act of Congress.

"§ 2075. Effect of rules

"The Supreme Court of the United States may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect."; and

(3) so that the table of sections reads as follows:

"Sec.
"2071. Rulemaking power generally.
"2072. Powers of Supreme Court.
"2073. Effect of prior rules.
"2074. Manner of prescribing rules.
"2075. Effect of rules.".

TECHNICAL AMENDMENTS TO OTHER ACTS

SEC. 4. (a) Section 22(b) of the Organic Act of Guam (48 U.S.C. 1425(b)) is amended by striking out "pursuant to section 2072" and all that follows through "bankruptcy cases" and inserting in lieu thereof the following: "pursuant to chapter 237 of title 18 of the United States Code in criminal cases and pursuant to chapter 131 of title 28 of the United States Code in civil, admiralty and bankruptcy cases".

(b) Section 25 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1615) is amended by striking out "pursuant to section 2072" and all that follows through "bankruptcy cases" and inserting in lieu thereof the following: "pursuant to chapter 237 of title 18 of the United States Code in criminal cases and pursuant to chapter 131 of title 28 of the United States Code in civil, admiralty and bankruptcy cases".●

THE TAX EQUITY ACT OF 1979

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

● Mr. CORMAN. Mr. Speaker, today I am introducing H.R. 1040, the Tax Equity Act of 1979. Fourteen Members of the House expressed their wish to cosponsor the bill with me. They are: Mr. ANDERSON of California, Mr. BOLLING, Mr. CONYERS, Mr. DANIELSON, Mr. DELLUMS, Mr. DRINAN, Mr. EDWARDS of California, Mr. JOHNSON of California, Mr. MAGUIRE, Mr. NOLAN, Mr. RODINO, Mr. ROSENTHAL, Mr. STUDDS, and Mr. WON PAT.

The 95th Congress opened with heady anticipation of continuing the tax reform momentum begun in the 94th. The new President proposed ambitious reform, which was applauded by many, but unfortunately was mostly rejected. Not only did Congress fail to approve any significant reform, but it reversed some essential reforms enacted in past years.

As a result, tax reformers' hopes are not high for the 96th Congress. The most we may be able to do is hold the line against any further erosion of the law. Nevertheless, reform is not dead, and it must not be abandoned. The need for closing loopholes and unraveling complexity is greater than ever. It is most important to continue to have a model for true comprehensive reform before us and H.R. 1040, the Tax Equity Act meets that purpose. First introduced in 1971, it remains one of the most complete proposals for broad reform of the tax code. Ten of its provisions were enacted in the 94th Congress and the remaining proposals address some of the still most frequently abused preferences in law.

H.R. 1040 would repeal such glaring loopholes as the Domestic International Sales Corporation (DISC), asset depreciation range (ADR), the capital gains exclusion and the exclusion of interest on State and local bonds. Ending these preferences would go a long way toward making the tax code more equitable and less complex, and their repeal would raise approximately $30 billion in revenue in 1979. It is doubtful that any of this will happen in the cautious atmosphere of the 96th Congress, but I do think it is important not to lose sight of our ultimate goals.

The prime objective of all tax reformers is to make the code more equitable, that is to insure everyone is taxed according to ability to pay. We began to establish preferences within the code in order to better define a taxpayer's real ability to pay. To look only at income would be unfair. Certain other factors have to be considered such as expenses incurred in producing income, family size and even unusual medical costs. Unfortunately, over the years, these basic considerations have been joined by other preferences that severely strain the limit of credibility. The problem with many of them is that they are available only to a select group of taxpayers usually in the higher income brackets.

The liberalization of the treatment of capital gains that took place last year is a perfect example of law that chiefly benefits the wealthy. Of the $2.5 billion revenue loss incurred by these changes, 78 percent will benefit taxpayers with incomes of $50,000 and over. While we were able to hold the line against new tax breaks for tuition costs and charitable gifts, the special deductions granted to Americans working abroad will lower taxes for a very small number of taxpayers while losing an estimated $250 million in revenue annually. Preferences such as these provide tax cuts that are unevenly distributed among taxpayers. The revenue lost could provide significant savings for all Americans if applied across the board in the form of general tax cuts.

Some of the preferences found in the tax code were put there to accomplish certain social goals. Many of them have actually backfired by directing capital into investments that are not economically sound, but which provide tax shelters for wealthy investors. The Tax Reform Act of 1976 accomplished a great deal in closing up tax shelters in the areas where the most abuse has occurred. The Revenue Act of 1978 went further by limiting opportunities for sheltering in all other areas except for one notable exception—real estate. Investors in real estate enjoy a multitude of tax breaks that were established in the hope of providing employment in the construction industry. However, most have served chiefly to make speculators wealthy. In addition, these tax preferences have contributed to the shocking rise in real estate prices which have far outstripped even the soaring rates of inflation we have seen in the past few years. One very important provision of H.R. 1040 would extend the limits enacted in 1978 to investments in real estate activity.

Taxes, like every other family expenditure, hit hardest at those in the lowest income brackets. A 1977 Brookings Institute study showed that all American families earning $50,000 and less paid out almost the same percentage—about 30 percent—of their incomes in taxes, including Federal, State, and local income taxes, payroll taxes, property taxes, and sales and excise taxes. This leaves little discretionary income for someone who earns less than $10,000 a year, but is not nearly so painful for those in the $50,000 bracket. Of course, the regressivity of such taxes as the sales and payroll taxes make this picture as bleak as it is. The Federal income tax is relatively progressive compared to the others. But it could be made less burdensome for those in the lower brackets by eliminating tax preferences that make a mockery of our progressive rate system by reducing the effective tax rate of high income taxpayers.

There are times when a tax reformer must make the difficult choice between simplicity and equity. A key section of the Tax Equity Act required just such a choice. The concept of a tax credit in place of a deduction has long been an ideal, since a credit affords the same dollar value for all taxpayers whereas the value of a deduction depends on income level. One of the most important sections of the bill in the past has provided that a credit against taxes can be taken on the aggregate amount of personal exemptions and personal deductions including the standard deduction for those who do not itemize. A problem arose this year because in 1977 Congress replaced the standard deduction with the zero bracket amount. Since the zero bracket amount simply renders a certain amount of income nontaxable, there would be nothing in current law for nonitemizers to take a credit on, if the credit in H.R. 1040 were enacted. The choice was between the simplified tax tables made possible with the zero bracket amount and the equity of the tax credit. The choice was made in favor of equity and thus H.R. 1040 regretfully calls for the repeal of the efficient zero bracket amount.

The 30-percent credit provided for in H.R. 1040 would mean lower taxes for families of four earning $28,300 or less. Specifically, a credit system means that

the $1,000 personal exemption which now reduces the taxes of someone in the highest bracket by $700 and in the lowest bracket by only $140 would be worth a uniform $300 to all. A $2,000 doctor's bill would mean $600 to any taxpayer instead of anywhere from $280 to $1,400. In short, the value of personal expenses in reducing tax liability would no longer be dependent on the taxpayer's income. The move to a credit is one of the cornerstones of the bill and certainly the amount of equity it provides more than offsets the loss of simpler tax tables.

Many of the preferences H.R. 1040 would repeal not only are unfair, but also are frequently the most complex. One provision would provide immense simplification if enacted. That is section 101 which repeals the capital gains exclusion thereby eliminating a host of provisions considered among the most complicated in the code. Although the tide was running the other way in the past Congress, when the capital gains exclusion was increased from 50 to 60 percent, there is still serious doubt about the wisdom of giving capital gains preferential treatment over earned income. The only consideration that should be given is for that portion of the gain attributable to inflation. H.R. 1040 would allow a 6-percent adjustment to the basis of the property sold, for every year it was held.

The third object of the bill and some would say the prime one is to raise revenue to pay for the costs of Government. This is something on everyone's mind these days with talk of an austere Federal budget and drastically reduced Government spending. There are two ways to reduce the budget deficit, either by cutting spending or by increasing revenue. While everyone would agree there is certainly fat to be trimmed from the Federal budget, the cuts must not be so deep as to endanger important Government programs. This Government has a responsibility to take care of the aged, the poor, the sick and the environment all of us share. A reasonable amount must also be allowed for national defense which cost us over $103 billion last year. Budget cutting must be done with care and compassion.

Revenue raising is the other side of the coin and H.R. 1040 offers ways to make it less painful. We cannot increase taxes for the inflation-squeezed American wage earner, but billions could be raised just by ending a few of those tax preferences that benefit only high income taxpayers. The President's goal is to cut the budget deficit for fiscal year 1980 by $8.8 billion from this year's deficit. That is considerably less than could be raised by repealing the tax preferences mentioned above.

The choice is an obvious one, but it will take courage and persistence to achieve. Although tax reform is not likely to be the rallying cry for this Congress, we must not give up. There is much to be done in the interest of equity and simplification. Current demand for fiscal restraint makes the need for raising new revenue more pressing than ever. I hope my colleagues will give serious thought to the Tax Equity Act and all it embodies. Tax reform is not a popular course, but we cannot afford to avoid it for too long. A summary of the bill follows:

SUMMARY OF CONTENTS OF H.R. 1040

Section 1—Short title, etc.

This section provides that the Act may be cited as the Tax Equity Act of 1979, and the sections contains a table of contents of the bill.

Section 2—Technical and conforming changes

This section provides that the Secretary of the Treasury shall, within 90 days after the date of the enactment of the Act, submit to the Committee on Ways and Means a draft of any technical and conforming changes in the Internal Revenue Code which should be made to reflect the substantive amendments made by the bill.

Section 3—Treaties

This section provides that every amendment made by the Act shall apply notwithstanding that its application may be contrary to the provisions of some treaty in effect on the date of the enactment of the Act.

TITLE I—CAPITAL GAINS AND LOSSES

Section 101—Repeal of alternative tax on capital gains

This section repeals the alternative tax on capital gains for both individuals and corporations. As a result of this section and other amendments made by title I of the bill, capital gain income (for taxable years beginning after 1977) will not receive preferential treatment and will be taxed as ordinary income. (Section 301 of the bill reduces the maximum rate of tax on individuals from 70% to 50%.)

Section 102—Tax treatment of capital gains

While capital gain income will be taxed as ordinary income under the amendments made by the bill, this section provides for a limited exemption from tax depending on the length of time the property has been held before it is sold. The exemption is granted in deference to the fact that if an asset has been held a long time, the gain measured by dollars is attributable to some extent to the declining value of the dollar and does not represent increased purchasing power for the taxpayer.

This section allows an adjustment for inflation by providing, in effect, that in computing the gain on a sale of property, the taxpayer can add to the tax basis of the property 6 percent of the tax basis of the property (at the time of the sale) for each year the property was held after it was held for one year. More precisely, it is provided that the adition to the tax basis shall be one-half of 1 percent of the tax basis for each full month the property was held after it had been held for one year. Thus, if the property is held for less than 13 full months, nothing is added to the tax basis in computing gain. If the property is sold after being held 64 full months (5 years and 4 months) 26% of the tax cost (51 months at one-half of 1 percent) would be added to the basis in computing gain. Since there is no compounding of the 6 percent annual adjustment for inflation, if an asset has been held for 1 year prior to its sale, the 6 percent adjustment merely offsets a compounded inflation rate of 4½ percent.

This provision for not taxing the gain to the extent attributable to inflation applies not only to capital assets but also to property used in a trade or business, such as a plant, machinery, or other depreciable equipment. It does not apply, of course, to property held for sale to customers in the ordinary course of business.

This section of the bill repeals a number of provisions in the Internal Revenue Code which become deadwood when capital gains are treated as ordinary income. Complicated provisions, such as those dealing with collapsible corporations and the recapture of depreciation deductions on sale of property at a gain, are not needed when preferential treatment of capital gains is eliminated. No greater blow can be struck for the cause of simplification of the income tax laws than to repeal, as the bill does, the preferential income tax treatment of capital gains.

Section 103—Limitation on deduction of capital losses

Under existing law, capital losses are deductible only against capital gains plus, in the case of an individual, $3,000 of other income. This section of the bill provides that capital losses of a corporation are deductible only against gains from the sale of capital assets and property used in a trade or business. In the case of an individual, capital losses will be deductible only against such gains plus $3,000 of other income. Under present law, a long-term capital loss of $2 will offset only $1 of an individual's ordinary income. Under the bill, a capital loss of $1 will offset $1 of ordinary income (subject to the $3,000 limitation). Gains from the sale of property used in a trade or business do not include gains from the sale of property held primarily for sale to customers or gain from the sale of animals.

Section 104—Capital loss carrybacks and carryovers

This provision grants relief to an individual who has an unused capital loss of at least $10,000 by allowing him to carry it back to the 3 preceding taxable years. Cases have arisen where a large capital gain in 1 taxable year is followed by a large capital loss in the following year which may never be deducted even with the unlimited carryforward.

Under present law, if a corporation has an unused capital loss of only a few hundred dollars, this unused loss must be carried back to the 3 preceding taxable years, with resulting refunds if there are net capital gains in any of the 3 years. It cannot be carried forward if it can be used up on a carryback. This section of the bill changes existing law by providing that a corporation (like an individual) cannot carry back an unused capital loss unless it exceeds $10,000.

The bill provides that the carryback is elective with the taxpayer, whether an individual or a corporation. This will make the carryback provision less of an administrative burden on the Internal Revenue Service for in many cases the taxpayer would rather not file a claim for refund of taxes paid in a prior year if the loss can be used on a carryover.

In the case of an individual, the carryover can be used to offset ordinary income up to $3,000 a year, but on a carryback the capital loss can be used only to offset capital gains. In the case of the death of an individual the bill provides that the net capital loss for the year of his death can be carried back even though the loss is less than $10,000.

Under present law, a capital loss of a corporation can be carried over only to 5 taxable years following the year of the loss. Under the bill, a corporation (like an individual) will have an unlimited carryover of a capital loss.

Section 105—Capital gains and capital loss defined

This section amends the Code by striking out the definitions of short-term and long-term capital gains and losses since under the bill no distinction is made between short-term and long-term gains and losses. However, the bill defines the terms "capital gain" and "capital loss" since the deduction of capital losses is limited as explained above. The bill retains the definition in existing law of the term "capital asset".

Section 106—Election to include certain unrealized gains in gross income

Under present law if a decedent dies with unused capital losses, the losses cannot be

carried over and used by his estate or heirs. However, in the case of unrealized gains from appreciated property, the Tax Reform Act of 1976 provided for a carryover of the decedent's tax basis so that the unrealized gain may subsequently be taxed when the estate or heirs sell the appreciated property.

This section of the bill provides that if a decedent has unused capital losses at his death (including capital losses carried over to his last taxable year), and the decedent also had unrealized capital gains, the executor or administrator of his estate can elect to include in gross income in the decedent's last taxable year the gain the decedent would have realized if he had sold the appreciated property on the date of his death for its fair market value. The gain so included, however, cannot exceed the amount of the unused capital losses. Thus, if unrealized gain on a capital asset is included in income for the decedent's last taxable year, no income tax will be incurred because the gain will be offset by the unused losses. But the decedent's estate or heirs will benefit because the bill provides that the decedent's tax basis in the capital asset—in determining the tax basis to be carried over to his estate or heirs—will be increased by the amount of the unrealized gain included in the decedent's last taxable year.

Since the effect of the carryover basis provisions has been postponed to apply only to property passing from decedents dying after December 31, 1979, this section of the bill would not be affective until after that date.

Section 107—Tax treatment of gain on certain sales of patents

Since capital losses will continue to be deductible only against capital gains (plus an additional $3,000 in the case of an individual), it is important that ordinary income is not classified as capital gain income. Under existing law, gain on the sale by an individual of a patent is treated as capital gain even though the taxpayer is a professional inventor. This section of the bill repeals this provision, so that the sale of a patent by the person whose personal efforts created the patent will be treated as ordinary income and not capital gain income, just as the sale of a copyright produces ordinary income under existing law.

In addition, this section provides that capital gain treatment will not be granted in any case where the owner (whether a corporation or an individual) of a patent enters into an agreement (whether or not it constitutes a sale, license, or assignment) under which the seller or assignor of the patent receives payment measured by a percentage of the selling price of articles produced by the buyer or transferee of the patent or where the amounts received by the seller or transferor are measured by production, sale, or use by the assignee of licensee. Periodic receipts of this kind with respect to the sale or transfer of a patent are properly treated as royalty income rather than capital gain income.

TITLE II—INCOME DERIVED FROM EXTRACTION OF MINERALS

Section 201—Repeal of percentage depletion

This section of the bill repeals percentage depletion for all minerals, including the limited allowance under existing laws for oil and gas, effective with taxable years beginning after December 31, 1979.

Section 202—Deduction of intangible drilling costs and other exploration and development expenditures

This section of the bill liberalizes the deduction of exploration expenditures for oil and gas. Under present law, intangible drilling and development costs are deductibles as incurred, but geological and geophysical costs are capital expenditures to be recovered through the depletion allowance (or as a loss upon abandonment). This section provides that all expenses incurred for the exploration and development of all minerals, including oil and gas, are deductible at the election of the taxpayer, so long as the expenditures do not have the effect of sheltering from tax income from nonmineral sources.

To deal with the problem of the tax shelter, this section provides that the aggregate deduction for exploration and development of mineral properties during the taxable year cannot exceed the taxpayer's aggregate taxable income for the year from mineral properties (computed without regard to the deduction for exploration and development). Losses on drilling a dry hole, however, will continue to be deductible without regard to the limitation. Any amount disallowed as a deduction under this limitation will be treated as an amount expended in the following year for the exploration and development of mineral properties. In the normal situation, this limitation will not limit the deduction in the case of the taxpayer who is in the business of operating mineral properties, but it will put a stop to the current practice of peddling drilling funds as tax shelters to taxpayers who are not in the business of operating mineral properties.

Section 203—Income from mineral properties located outside the United States

Under existing law, if a taxpayer goes into a foreign country to explore for and develop oil and gas wells or a mine, the deductible costs of exploration and development can be applied against income from sources within the United States. If the venture is successful and the mineral properties produce profits, the credit for foreign income taxes imposed upon those profits will, on the basis of past experience, completely offset the U.S. tax on those profits. The net result is that the United States Treasury loses revenue on account of the exploration and development in foreign countries of mineral properties and receives no revenue (because of the foreign tax credit), when the mineral properties produce profits. Moreover, if there is a loss on account of the expropriation of mineral properties by a foreign government, the deductible loss in the usual case has the effect of reducing the income taxes otherwise payable on income from sources within the United States.

To eliminate the losses to the Treasury on account of the exploration, development, and expropriation of foreign mineral properties, this section of the bill provides—

(1) a taxpayer will not include in his tax return amounts derived from the operation of a mineral property located outside the United States.

(2) no deduction shall be allowed for amounts chargeable to income so excluded from the tax return, or for any amount expended for the exploration or development of any mineral property located outside the United States, and

(3) losses on the sale, abandonment or expropriation of mineral properties located outside the United States shall be allowed only to the extent of gains from the sale of mineral properties located outside the United States.

The exclusion from gross income will not apply to profits derived from processing minerals after reaching the so-called cutoff point used in the past for percentage depletion purposes. Thus, profits from transporting minerals or in producing gasoline or refined metals will not be exempt. In addition, the exclusion from gross income will not apply to royalties received on mineral properties located outside the United States or to dividends on stock of any corporation operating mineral properties outside the United States.

TITLE III—REFORM MEASURE AFFECTING PRIMARILY INDIVIDUALS

Section 301—50-percent maximum rate for individuals

Under present law, the maximum rate of tax on individuals is 70 percent. This section of the bill reduces the maximum rate to 50 percent. This reduction is justified in the light of the other provisions of the bill which broaden the income tax base, particularly the taxation of capital gains as ordinary income, and the elimination of the tax shelters allowed under present law.

Section 302—Credit against tax for personal exemptions and nonbusiness deductions

In the past, the bill has provided a credit against tax for the personal exemptions and other personal deductions, including the standard deduction, in lieu of existing deductions for such items. Since Congress replaced the standard deduction with the zero bracket amount in 1977, this section repeals the zero bracket amount and provides a standard credit allowance in amounts equal to the present zero bracket amounts, that is 3400 for joint returns and $2300 for single persons and heads of households.

A credit of 30 percent of the aggregate amount of the personal deductions is allowed by this section. The personal deductions include the deductions for personal exemptions, interest and taxes on non-business indebtedness (such as taxes and interest on the taxpayer's home), deductions for charitable contributions, and deductions for medical expenses. In the case of a nonitemizer, the 30 percent credit will be applied to the amount of the standard credit allowance plus the amount of his personal exemptions. The credit will not be allowable with respect to alimony payments which would continue to be deductible from gross income as under existing law.

The credit is more equitable than deductions in that each taxpayer receives the same benefit for his personal exemption and the Treasury will "contribute" the same amount to all taxpayers with respect to deductible personal expenditures. Under present law, the $1000 personal exemption is worth $700 to the individual in the highest bracket and only $140 to someone in the lowest bracket. Under the bill everyone would get a $300 tax credit regardless of income. A $500 doctor bill would mean $150 to everyone rather than anywhere from $70 to $350 depending on one's tax rate.

A credit of 30 percent of personal deductions in place of deducting such amounts from gross income will reduce the income taxes of taxpayers in the lower brackets. For example, a married couple with two children having an adjusted gross income below $28,300 would have a reduction in their income taxes.

A limit is provided on the amount of credit which may be taken on account of interest and taxes paid on an individual's personal residence (or residences). Not more than $10,000 of such interest and taxes will qualify for the 30 percent credit. In the ordinary case this limitation will not come into play unless the residence has a value of more than $100,000 and is heavily mortgaged.

This section provides that the President may increase or decrease the 30-percent rate if he decides that it is in the public interest to do so. If he decides that taxes on individuals should be reduced for a temporary period, he could proclaim an increase in the 30-percent rate, and if he believes that the taxes should be increased for a temporary period, he could proclaim that the 30-percent rate be decreased. The increase or decrease, however, cannot exceed 2 percentage points.

Any increase or decrease in the 30-percent rate by the President would not take effect if either House of the Congress, within a 60-

day period after announcement of the proposed change in rate, passes a resolution stating in substance that a change in the 30-percent rate is not favored.

This section of the bill also provides that if the taxpayer is claiming a child as a dependent (and thereby receiving a credit of $300 against tax—30 percent of $1,000), the parent shall include in his gross income any income received by the child during the year from a trust created by the parent, and also any dividends, interest, or royalties received by the child from any property given to him by the parent. Income which is so taxed to the parent would not be taxed to the child. This provision would not apply if the parent does not choose to claim the child as a dependent.

This section also increases the credit against tax for child care from 20 percent to 30 percent.

Section 303—Denial of certain tax preferences to shareholder-employees of closely held corporations

This section of the bill eliminates three kinds of abuses which have arisen when an employee owns the corporation which "employs" him.

A self-employed farmer cannot deduct the cost of maintaining his residence on the farm. Such items as depreciation, repairs, heat, and insurance premiums on his house are not deductible; and he cannot deduct the cost of groceries consumed on the farm by his family. But, apparently all these personal and family expenses can be deducted if he incorporates — even though he elects subchapter S so that the corporation is not subject to tax. The Tax Court held that an individual owning all of the stock of a corporation which owned a 35,000-acre ranch in Montana was not taxable on the value of meals and lodging furnished to his family on the ranch by the corporation (and deducted by the corporation) because it was for the convenience of his corporation that he and his wife lived on the ranch and occupied the ranch house. This section of the bill provides that a shareholder-employee of a corporation cannot exclude (under sec. 119 of the Internal Revenue Code) from gross income the value of lodging and meals furnished to him by the corporation. A shareholder-employee is defined as an employee or officer of a corporation who owns 5 percent or more of the stock of the corporation.

If a doctor, lawyer, or other self-employed individual incorporates his business and then adopts a plan for the corporation to pay all medical, dental and hospital bills of any shareholder-employee (including members of his family), under existing law the payments are deductible by the corporation and are excluded from the gross income of the shareholder-employee, even though the plan does not cover employees who own no stock in the corporation. This section of the bill provides that such family expenses paid by the corporation for the benefit of the shareholder-employee will be included in his gross income unless employees who are not shareholder-employees received 75 percent or more of all such payments made by the corporation during the year.

In the case of any self-employed person, his deduction for pension contributions for his own benefit under an H.R. 10 plan is limited to 15 percent of his earned income, with a maximum deduction of $7,500 a year. But, if the doctor, lawyer, dentist, or other self-employed person incorporates his business, the H.R. 10 limitations do not apply unless the corporation elects to be taxed under subchapter S. This section of the bill extends the rule applicable to a shareholder of a subchapter S corporation, and provides that the shareholder-employee of any corporation must include in his gross income any amount contributed by his corporation for his benefit in excess of the H.R. 10 limits. This rule will not apply, however, if more than 75 percent of the contributions made during the year by the corporation under the pension plan are for the benefit of employees who are not shareholder-employees.

Section 304—Repeal of $100 dividend exclusion

This section repeals the provision in present law that allows an individual to exclude from gross income $100 of dividends received on corporate stocks.

Section 305—Deductions for attending foreign conventions

This section disallows expenses of travel (including meals and lodging) of an individual in connection with attending a convention held outside the United States. As a general rule, such expenses are incurred primarily for pleasure rather than business. Thus, expenses of lawyers attending the American Bar Convention in London in 1971 would have been disallowed if the amendment had been in effect.

Section 306—Vacation homes

The Tax Reform Act of 1976 substantially reduced the tax abuse which arose when vacation homes acquired for personal pleasure were rented out for part of the year in order to generate tax deductions to shelter income other than the rents received. The Act, however, still permits a vacation home to be used in some cases as a tax shelter. For example, if the taxpayer uses the vacation home for only 10 days during the year and rents it out for only 20 days, he can deduct without limitation against outside income, two-thirds of the depreciation and other annual expenses for the entire year. This section of the bill in further tightening up on the use of a vacation home as a tax shelter, provides in the case of the above example, that the deduction for depreciation, repairs, and insurance premiums for the year will be reduced from two-thirds to 40/365ths of such expenses (two times the number of days of rental divided by the number of days in the taxable year.)

Section 307—Farm losses

In order to deal more effectively with the problem of farm losses as a tax shelter, this section of the bill provides that farm losses can be deducted against nonfarm income only to the extent of $10,000 a year. Any amount of a farm loss which is disallowed under this provision will be treated as an expense of farming in the following taxable year.

This limitation on the deduction of a farm loss will not apply to a taxpayer whose nonfarm income is less than $20,000.

Section 308—Computation of earnings and profits on a consolidated basis

Some conglomerate companies have been paying dividends which are not fully taxable because the parent company does not have sufficient earnings and profits to cover the distribution although the consolidated group had earnings and profits during the year greater than the amount distributed. This section of the bill provides that the earnings and profits of a parent corporation for a year shall not be less for dividend purposes than the earnings and profits of the consolidated group for the year.

Section 309—Dividend on certain sales of stock

The Tax Court held that if a transaction is described in section 304 of the Code (which can produce dividend income if stock of one controlled corporation is sold to another controlled corporation) and is also described in section 351 (dealing with tax-free exchanges), then section 351 applies and not section 304. This section of the bill changes the rule of the Tax Court case and provides that the tax-free provisions of section 351 do not apply to the extent the application of section 304 produces an amount taxable as a dividend.

Section 310—Tax treatment of stock options granted by employer

The Tax Reform Act of 1976 achieved a major reform by repealing the special tax treatment previously allowed for stock options granted by corporations to officers and other highly compensated employees. However, the managers of the House and Senate conference on the Tax Reform Act made a disturbing statement in reporting the conference agreement. The conferees requested the I.R.S. to make every reasonable effort to determine a fair market value for a stock option at the time it is granted when an employee elects to report such value in his tax return, "particularly in the case of an option granted for a new business venture." Any adoption of this suggestion would create a major loophole. The repeal of the stock option provision was a reform because it requires an executive to include in gross income, when he exercises the option, the differences between the value of the stock acquired and the option price. The suggestion of the conferees, if adopted, would eliminate any tax at the time of exercise. This section of the bill will insure than an executive will have taxable income when he exercises a stock option by providing that a stock option will not have an ascertainable fair market value at the time it is granted unless the option is traded on a stock exchange or over the counter.

Section 311—Treatment of trust income payable to children of grantor

Under present law, a father can, in effect deduct on his income tax return gifts to his children if he makes a gift out of income from stocks and agrees to do so for at least 10 years. To get that result, the parent need merely transfer stock to himself as trustee and agree to pay out to his children the income from that stock for 10 years, at which time the stock will be returned to him free of the trust. Use of short-term trusts in this manner is commonplace with affluent taxpayers who can afford to give some of their dividend income to their children.

This section of the bill provides that the income of such a trust will be taxed to the grantor (if he has a reversionary interest) so long as the income is payable to a child who is under the age of 21 years or who is attending college and is a dependent of the taxpayer for purposes of the credit for personal exemptions.

Section 312—Extension of at risk rule to real estate

The Revenue Act of 1978 significantly expanded the at risk rule which is designed to prevent a taxpayer from deducting losses in excess of his actual economic investment in an activity. However, the rule still does not apply to investment in real estate where opportunities for tax shelters are abundant. This section of the bill provides that the at risk rule will also apply where the principal activity is investing in real estate.

Section 313—Underpayments of estimated tax

This section provides that an individual cannot base his estimated tax payments on the prior year's tax (or at the current year's rates applied to the prior year's facts) if in any one of the 3 preceding taxable years the tax shown on his return was in excess of $100,000.

Section 315—Partnership to be treated as corporation upon filing registration statement with Security and Exchange Commission

A key element in the syndication of tax shelters is that the business venture is treated for tax purposes as a limited partnership, so the tax losses can be passed through

and be deducted by the limited partners. In a recent year registered filings with the Securities and Exchange Commission of partnership tax shelter offerings in oil drilling funds, real estate programs, cattle feeding, and the like, were in excess of $3.2 billion. Perhaps any partnership which depends primarily on limited partners for the capital of the venture should be treated as a corporation—the limited partner is like the preferred shareholder of a corporation. But at a minimum, any partnership which is required under the securities laws to register its offerings with the Securities and Exchange Commission should be treated as a corporation, and this section of the bill provides that if a registration statement is filed with the SEC or any comparable State agency, after July 1, 1979, and offers units of participation or other interests in a partnership, the partnership shall be treated as a corporation for taxable years ending after the date of the filing of the registration statement. The enactment of this provision would put an end to the interstate sale of large syndicated tax shelters.

TITLE IV—REFORM MEASURES AFFECTING PRIMARY CORPORATIONS

Section 401—Repeal of investment credit

The investment credit is a massive subsidy to corporations for their purchase of machinery and equipment, nearly all of which would be purchased in the absence of the subsidy. This section of the bill terminates the investment credit, effective with respect to property placed in service on or after January 1, 1980.

Section 402—Repeal of asset depreciation range system

In 1962, the Treasury issued guidelines specifying the number of years over which different kinds of assets could be depreciated. Through the "reserve ratio test", a direct link was maintained between the depreciation claimed by taxpayers and the actual "wearing out" of equipment. Taxpayers were not allowed to depreciate for tax purposes more rapidly than they were actually replacing the equipment.

In January, 1971, the Treasury announced some major changes. Businessmen were allowed to take guideline lives 20 percent shorter than previously. Thus, an asset which previously had a guidline life of 10 years could now be depreciated over 8 years. In addition, the reserve ratio test was repealed. These changes were given legislative approval in the Revenue Act of 1971.

This section repeals the ADR system and reinstates the reserve ratio test.

Section 403—Depreciation deduction not to exceed book depreciation

Under present law, a corporation cannot use the LIFO method of valuing inventories for income tax purposes unless it uses the same method in reporting its earnings to shareholders. The obvious rationale of this rule is that if LIFO is not considered by a corporation as a correct method for reporting earnings to shareholders, then that corporation is not entitled to use the LIFO method in reporting its earnings on the tax return.

For a similar reason, this section of the bill provides that a corporation cannot take depreciation deductions for a taxable year in an aggregate amount in excess of the depreciation taken into account in reporting earnings for the year to shareholders. Thus, if a corporation on its books computes depreciation for equipment on a straight-line basis with a 30-year life, it cannot have a larger deduction on the tax return by using the double declining balance method or a shorter life. Moreover, in the case of a publicly held company whose annual report to shareholders is certified to by independent certified public accountants, it can generally be presumed that the charge for depreciation recorded on the books is a fair and honest estimate of the actual cost of depreciation for the year. If a larger deduction for depreciation is allowed on the tax return, then the depreciation allowance becomes a subsidy and not a reasonable allowance for the exhaustion of machinery and equipment.

In the case of an affiliated group of corporations, regulations will prescribe whether the report by the common parent corporation to its shareholders, rather than the report of subsidiaries to the parent, will be taken into account for purposes of this amendment.

Section 404—Deduction for repairs limited to amount recorded on books

This section of the bill, for the reasons set forth in the preceding section dealing with depreciation, prohibits the deduction by a corporation of an expenditure for repairs if the corporation capitalizes the expenditure on its books for the purpose of reporting to shareholders its earnings and profits for the year.

Section 405—Limitations on dividends received deductions

Subsection (a) of this section of the bill provides that the dividends received deduction cannot exceed 85 percent of taxable income (computed without regard to the net operating loss carryback). The chief effect of this is to change present law which allows a full deduction for 85 percent of dividends received if this deduction will produce or increase a net operating loss for the taxable year. The amendment also provides that any amount disallowed for the taxable year because of the net income limitation shall be allowed as a deduction for the following taxable year if there is sufficient taxable income in that year. This gives the taxpayer a carryover which he does not have under present law.

Subsection (b) provides that dividends received from an unaffiliated corporation shall be reduced (for purposes of the dividends received deduction) by the amount of any interest on indebtedness incurred or continued to purchase or carry the stock of the unaffiliated corporation. An unaffiliated corporation is any corporation except one that is a component member of a controlled group of corporations which includes the taxpayer.

This section of the bill also provides that if the aggregate amount of dividends received during the year from unaffiliated corporations (after first being reduced by any interest paid as provided in the preceding paragraph) exceeds the amount of dividends paid by the corporation during the taxable year, no dividends received deduction shall be allowed with respect to the excess. Thus, if no dividends are paid by the taxpayer, no dividends received deduction can be claimed for dividends received from unaffiliated corporations. However, the amount which is so disallowed shall be treated as a dividend received in the following year for purposes of the dividends received deduction. Moreover, if dividends paid during a taxable year exceed the dividends received during the year from unaffiliated corporations, the amount of the excess will be treated as a dividend paid in the following year for purposes of the dividend received deduction.

Section 406—Use of appreciated property to redeem stock

Under present law, if a corporation redeems stock with appreciated property, gain is recognized except in certain cases. One of the exceptions is where stock or securities are distributed pursuant to a court proceeding under the antitrust laws. This section provides that the stock or securities must have been acquired before January 1, 1970, in order for the exception to apply. It is not believed corporations which have violated the antitrust laws should have a tax benefit not available to other corporations who distribute appreciated securities.

Section 407—Recognition of gain on sales in connection with certain liquidations

If a corporation adopts a plan of complete liquidation and the liquidation is completed within 12 months, under existing law (section 337 of the Internal Revenue Code) the corporation is not taxed on gains realized on the sale of property during the period of liquidation. Gains on sale of inventory, however, are exempt from tax only if the inventory is sold in bulk to one purchaser.

This section makes three amendments to section 337. First, it is provided that section 337 shall apply only if at the time of the adoption of the plan of liquidation the corporation has less than 16 shareholders.

Second, it is provided that gain on the sale of inventory shall be taxable even though section 337 otherwise applies.

The third change deals with the problem which has been presented in some cases where shareholders of the liquidating corporation transferred, after adoption of the plan to liquidate and before the corporation distributes its tax-free gains, some or all of their stock to tax-exempt charities (usually their private foundations). This amendment of section 337 insures that one tax will be imposed in such cases by providing that if tax-exempt organizations receive X percent of the amounts distributed in liquidation, then the same percent of the gains realized by the corporation during the course of the liquidation will be subject to tax at the corporate level.

Section 408—Certain transactions disqualified as reorganizations

This section of the bill provides that there cannot be a tax-free reorganization if the shareholders of the smaller company involved in the transaction end up with less than 20 percent of the voting stock of the surviving corporation in a merger or of the acquiring corporation in the case of a so-called B reorganization (stock-for-stock) or a so-called C reorganization (stock-for-assets). If a conglomerate company whose stock is listed on the New York Stock Exchange issues less 20 percent of its voting stock to acquire the stock or assets of a company whose stock is not listed, it is more realistic to treat the shareholders of the unlisted company as having sold out for a marketable security rather than having taken part in a reorganization of their company. (A similar provision was contained in the House version of the Internal Revenue Code of 1954.)

Section 409—Repeal of special treatment of bad debt reserve of financial institutions

This section of the bill provides that banks and other financial institutions that now are allowed to take special deductions for reserves for bad debts will, in the case of taxable years beginning after 1979, compute any addition to a reserve for bad debts on the basis of the actual experience of the taxpayer, the rule which is applied to all other corporations.

Section 410—Taxation of undistributed profits of foreign corporations

At the present time, American corporations do not have to pay income taxes to the Federal Government on the earnings of their controlled foreign subsidiaries so long as the earnings are undistributed. These earnings, however, are generally taken into account by the parent company in reporting earnings to its shareholders. This tax deferral constitutes an important incentive for U.S. corporations to set up plants in foreign countries. This section of the bill provides for the taxation on a current basis of the undistributed earnings of controlled foreign corporations.

Section 411—Repeal of the tax exemption for a DISC

A U.S. corporation can now set up a paper corporation (known as a DISC) and escape the corporate income tax on one-half of its profits from exports by channeling the sales through the DISC. This section of the bill would repeal the tax exemption for DISC corporations and thereby increase revenues by over $1 billion a year.

Section 412—Involuntary conversions

This section provides that if gain on an involuntary conversion of property is not recognized because the taxpayer purchases stock of a corporation owning property of the kind which was converted, the basis of that property in the hands of the corporation shall be reduced by the amount of gain not recognized on account of the purchase of the stock.

Section 413—Computation of underpayments of estimated tax

This section of the bill provides that a corporation cannot compute its estimated income tax payments on the basis of the prior year's tax (or on the basis of the prior year's facts and the current year's rates) if in any one of the 3 preceding taxable years the tax shown on its return was in excess of $300,000.

Section 414—Disallowance of deductions attributable to tax exempt interest of banks

When an individual borrows money to purchase tax exempt bonds, the interest on the loan is disallowed as a deduction. In the case of a bank, however, it is next to impossible to trace its use of borrowed funds, and as a result, all the interest paid by the bank is deducted even though tax exempt bonds generally comprise about 10 percent of the bank's assets and some of the bonds were surely acquired with the borrowed funds.

This section of the bill provides that interest paid by banks, and other financial institutions to depositers and other creditors will be disallowed as a deduction by the same percent which their investments in tax exempt bonds bear to their total assets. For example, if 8% of a bank's assets are in tax exempts, then 8% of its interest payments would be disallowed as a deduction.

TITLE V—REFORMS AFFECTING INDIVIDUALS AND CORPORATIONS

Section 501—Minimum tax

This section makes a number of changes in the minimum tax. First, it repeals the provision of existing law that allows regular income taxes to be deducted from the items of tax preference.

Second, the following items are added to the list of items which constitute tax preferences:

(1) Tax-exempt interest on State and local bonds (issued before January 1, 1980).

(2) The credit against the United States tax allowed for foreign income taxes.

Finally, this section of the bill strikes from existing law the provisions which treat tax preferences attributable to foreign sources more favorably than preferences attributable to sources within the United States.

Section 502—Shareholder use of corporate property

Considerable uncertainty exists over the tax treatment of interest-free loans from a corporation to its controlling shareholders and the rent-free use by shareholders of corporate property. The Tax Court has held that an interest-free loan produces no taxable income to the shareholder or the corporation, even though the funds loaned by the corporation were producing taxable income prior to the loan. This section of the bill provides that an interest-free loan or a rent-free use of corporate property by a controlling shareholder shall be treated in the same manner as if the shareholder paid to the corporation a reasonable rate of interest on the loan, or a reasonable rent for use of the property, and as if the corporation then made a cash distribution of a like amount to the shareholder.

Section 503—Deduction for depreciation based on equity in rental real estate

This section provides that in the case of a building which the taxpayer rents to others, the deduction for depreciation cannot exceed the taxpayers equity in the building and the land. That is, no additional deductions for depreciation will be allowed (including existing buildings) to the extent it would reduce the adjusted basis of the building below the unpaid balance of the mortgage on the land and building (minus the tax cost of the land). However, until the depreciation deductions equal the equity, the depreciation would be computed on the entire cost of the building and not on the amount of the equity. This amendment would not apply to a building if the primary use is by the taxpayer and not the tenants. This amendment would reduce the attractiveness of real estate ventures as tax shelters for investors.

Section 504—Charitable gifts of appreciated property

Under existing law, if capital assets which have appreciated in value are given to a private foundation, the charitable deduction is reduce by 40% of the long-term capital gain the individual would have had if he had sold the property at fair market value. However, in the case of gifts of non-capital assets to any charitable organization, the amount of the charitable deduction is reduced by the amount of the ordinary gain the taxpayer would have received if he had sold the property at fair market value. Since Title I of the bill eliminates the preferential treatment of capital gain income, this section of the bill provides that if appreciated property (whether or not a capital asset) is contributed to any charitable organization, the amount of the charitable contribution shall be reduced by the amount of gain which would have been realized if the property contributed had been sold by the taxpayer at its fair market value (determined at the time of such contribution). In computing the amount of such gain, there will be excluded the amount of any gain which is exempt from tax under the provisions of section 1202 of the Code, as amended by section 1202 of this bill.

Section 505—Capital expenditures in developing fruit or nut groves or vineyards

Present law requires the capitalization of expenditures incurred during the development stage in planning citrus or almond groves. This section of the bill extends the rule of capitalization of expenses incurred before the time when the productive stage is reached in the case of any other fruit or nut grove or any vineyard planted after December 31, 1975.

Section 506—Repeal of tax exemption for ships under foreign flag

This section of the bill repeals the provisions of existing law which state that a nonresident alien or a foreign corporation (even though 100 percent owned by a U.S. corporation or an American citizen) is not taxable on income derived within the United States from the operation of ships documented under the laws of a foreign country which grants an equivalent exemption to United States citizens or corporations.

Section 507—Tax litigation to be handled by Internal Revenue Service

Under existing law, the Internal Revenue Service conducts tax litigation in the Tax Court of the United States, but the Justice Department handles all tax litigation in the District Courts, the Court of Claims, Circuit Courts of Appeal, and in the Supreme Court. The Justice Department, rather than the I.R.S., decides whether a refund suit should be defended, whether an appeal from an adverse decision should be taken, and whether a petition for certiorari in a tax case should be filed in the Supreme Court. The charge has been made that Justice Department lawyers often consider their win/loss record rather than the importance of the tax issue involved in deciding whether or not to argue a case. Moreover, the role of the Justice Department over tax litigation deprives the Internal Revenue Service in many cases of the right to decide when and how a certain tax issue should be presented to the Courts. Since it is believed that a smoother implementation of I.R.S. tax policy will be achieved if attorneys in the Internal Revenue Service are in charge of tax litigation, this section of the bill provides that the Commissioner of Internal Revenue will be in charge of all civil proceedings in any court (including the Supreme Court) involving internal revenue taxes.

TITLE VI—REFORMS AFFECTING PRIVATE FOUNDATIONS AND ESTATE AND GIFT TAXES

Section 601—Private foundations

Under present law the distinction between "public charities" and private foundations is significant because public charities are not subject to the same restrictions on their activities as are private foundations and contributions to public charities receive more favorable treatment in certain circumstances than contributions to private foundations. In addition, a private foundation pays a tax of 2% on its investment income. The term "public charity" includes not only certain types of organizations described by function—such as churches, schools, and hospitals—but also organizations which normally receive as substantial part of their support from governmental units or the general public.

Current regulations of the I.R.S. have been criticized on the ground they allow some charities, which Congress intended to be treated as private foundations, to be classified as public charities. As an example, the I.R.S. ruled that under its regulations interpreting 509(a)(3), a certain trust was not a private foundation even though 75 percent of its income could be distributed as the trustees saw fit between six different organizations named in the trust instrument as permissible beneficiaries of the trust.

This section of the bill provides that in no case shall a trust be treated under section 509(a)(3) as a public charity if the trustees have discretion to distribute as they see fit more than 50 percent of the trust income between two or more organizations named in the trust instrument as permissible beneficiaries.

This section of the bill also makes the requirements for being considered "publicly supported" more stringent than present regulations by providing that a person's contributions will be considered as public support only to the extent that they do not exceed one-half of one percent of the organization's support. It also strengthens the rules concerning treatment of contributions by related parties. This change, for

example, will require that contributions of brothers and sisters of a contributor be treated as made by the contributor for purposes of the public support tests. Also this section of the bill prevents loosely affiliated trusts or funds from being treated as one organization for purposes of meeting the public support tests by requiring that the trusts of funds be under substantial common control in order to be treated as one organization.

Section 602—Transfers taking effect at death

Before the enactment of the 1954 Code, if a taxpayer transferred property to a trust which provided that the income should be accumulated during the grantor's life and upon his death the trustee should pay the corpus and accumulated income to his children, such a transfer was included in the decedent's gross estate as a transfer taking effect at death. The 1954 Code provided that such a transfer will be included in the gross estate only if the decedent retained a reversionary interest equal to 5 percent of the value of the property. This section of the bill strikes out the 5-percent reversionary interest test since it is completely a nonsequitur in a statute which imposes an estate tax on a lifetime transfer of an interest which can be possessed or enjoyed only by surviving the transferor. This amendment would apply to transfers made after December 31, 1978.

Section 603—Compensation payable after decedent's death

Under existing law, a highly compensated corporate executive can arrange his compensation so that part of what he earns will pass to his family without being included in his gross estate. For example, in order to obtain or retain the services of the corporate executive, the corporation agrees that upon his death it will pay an annuity to his widow for a period of years or so long as she lives. Upon his death the value of the annuity payable to his widow will not be subject to the estate tax if the decedent never had a prospective interest in the annuity payments if he had continued to live. Clearly, in such a case, the annuity payments to the widow were earned by the decedent's services rendered to the corporation, and the exclusion of such payments from the gross estate constitues a serious loophole available to highly compenated corporate executives. This section of the bill closes that loophole. Under the amendment, there will be included in the gross estate the value of an annuity or other payment (including proceeds of life insurance) receivable by any beneficiary, by reason of surviving the decedent, under an agreement or plan of the decedent's employer which arose out of services rendered by the decedent, whether or not the beneficiary has an enforceable right to receive the annuity or other payment.

In the case of annuities paid out of tax-exempt pension funds, which are now excluded from the gross estate under section 2039(c) to the extent attributable to the employer's contributions, this section of the bill provides that the section 2039(c) exclusion shall apply only if the annuity payments go to the decedent's surviving spouse.

Section 604—Life insurance included in gross estate

No loophole in the estate tax can compare with that offered by life insurance. Under existing law, unlimited amounts of insurance can be passed on at death to the family of the decedent free of estate tax. If the decedent takes out insurance on his own life and gives the insurance policies to members of his own family, he can continue to pay during his lifetime all the premiums on the insurance and no estate tax will be paid at his death. And no gift tax will be paid on the premium so long as the annual premium per donee is not more than $3000 ($6000 in case of married insured.) Thus, a father age 40, for an annual premium of $6000 can acquire and give to his child a 5-year renewable term life insurance policy which will provide more than $1.3 million of insurance. If he dies while the insurance is in force, $1.3 million will go to the child free of any estate or gift tax, even though all the premiums were paid by the insured.

This section of the bill provides that life insurance on the decedent's life will be included in his gross estate in the proportion that the premiums paid by the decedent or his spouse bears to all premiums paid for the insurance. However, premiums paid before 1977 by the insured or his spouse will not be included in the numerator of the fraction, but will be included in the denominator.

This section of the bill also provides that insurance on the decedent's life will be included in his gross estate—without regard to the premium payment test—if his surviving spouse possessed at his death incidents of ownership in the policy. However, if the insurance proceeds pass to the surviving spouse and the insurance would qualify for the marital deduction if the insurance were included in the gross estate, the insurance will not be included in the gross estate by reason of incidents of ownership in, or premiums paid by the surviving spouse.

Section 605—Charitable deductions in the case of estate tax

The first amendment made by this section of the bill places a limitation on the charitable deduction for estate tax purposes, similar to what we have for the income tax. Under present law, a decedent can give his entire estate to a private foundation created by his will, and no Federal estate tax will be imposed. This amendment provides that the aggregate charitable deduction shall not exceed the greater of $1,000,000 or 50 percent of the gross estate reduced by the debts of the decedent and the expenses of administration.

The second amendment deals with the interplay of the charitable deduction and the marital deduction for estate tax purposes. The marital deduction cannot exceed 50 percent of the adjusted gross estate (gross estate less debts, losses, and expenses of administration). Cases have arisen where executors have claimed, in order to raise the amount of the adjusted gross estate for purposes of the marital deduction, that transfers made to charities during the decedent's lifetime were includable in the gross estate. Increasing the gross estate for such lifetime transfers produced no estate tax for the charitable deduction was increased by the same amount, but a larger maximum deduction was allowed for bequests to the surviving spouse. This amendment provides that in computing the adjusted gross estate there shall be excluded any transfer made by the decedent during his lifetime if an estate tax charitable deduction is allowed for that transfer.

Section 606—Charitable deduction for gift tax purposes

Since the enactment of the tax Reform Act of 1969, a gift tax is imposed in certain cases if the donor gives an interest in property to charity but retains for himself an interest in the same property. Thus, if a valuable painting is given to the National Gallery of Art subject to the right of the donor to retain possession of the painting for his lifetime, a charitable deduction is not allowed for either the income tax or the gift tax. While a deduction for income tax purposes in such a case is properly disallowed, it is not believed a gift tax should be imposed on the gift to charity, so long as no third party is given an interest in the painting. This section of the bill amends section 2522(c) of the Internal Revenue Code of 1954 to allow a charitable deduction for gift tax purposes in such a case. The amendment provides, however, that if the donor, after making such a gift to charity, thereafter transfers the interest he retained to a third party (not a charity), the donor shall then be considered as having made the transfer to charity and the third party at the same time, so that a gift tax would be imposed on the interest transferred to charity.

TITLE VII—STATE AND LOCAL OBLIGATIONS

Section 701—Repeal of exemption for interest on new issues of State and local bonds

This section of the bill provides that interest on State and local bonds issued after December 31, 1979, will not be exempt from Federal income taxation. In the case of interest on State and local obligations issued before January 1, 1980, such interest will continue to be exempt from taxation, but section 501 of the bill provides that such interest will be treated as an item of tax preference for purposes of the minimum tax.

Section 702—United States to pay 35 percent of interest yield on State and local obligations

This section provides that the Federal Government will pay 35 percent of the interest yield on State and local obligations issued after December 31, 1979. The payment of interest by the Federal Government will not apply in the case of any industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code). This section provides that upon the request of the State or local government, the liability of the United Staes to pay interest to the holders of the bond shall be handled through the assumption by the United States to pay a separate set of interest coupons issued with the bond. Otherwise, the obligation of the United States to pay 35% of the interest yield will be made directly to the issuer of the obligation.

TITLE VIII—WITHHOLDING OF INCOME TAX ON DIVIDENDS AND INTEREST

Section 801—Withholding of income tax at source on dividends and interest

Income taxes are now deducted and withheld on payments of wages and salaries but not on dividends or interest. In 1962, the Ways and Means Committee decided, as a matter of fairness, that recipients of dividends and interest should pay their taxes no less than those who receive wage and salary income and the tax should be paid just as promptly. The Revenue Bill of 1962, as passed by the House, provided for the withholding of tax on dividends and interest, and this section of H.R. 1040 contains provisions substantially identical to the withholding provisions in the 1962 bill. In 1962, the committee estimated that such withholding of tax would increase annual tax collections by about $650 million. With the great increase since then in the amount of dividend and interest payments, it is believed that the withholding of tax on such income would now increase revenues more than $1 billion annually.

FEDERAL INDIVIDUAL INCOME TAX BURDEN[1]—SINGLE PERSON AND MARRIED COUPLE WITH NO, 1, 2, AND 4 DEPENDENTS
(ASSUMING DEDUCTABLE PERSONAL EXPENSES OF 23 PERCENT OF INCOME)

	Tax liability														
	Single person			Married couple with no dependents			Married couple with 1 dependent			Married couple with 2 dependents			Married couple with 4 dependents		
Adjusted gross income[2]	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change
$3,000	0	0	0	0	0	0	−$299	−$299	0	−$299	−$299	0	−$299	−$299	0
5,000	$250	0	−$250	0	0	0	−499	−499	0	−499	−499	0	−499	−499	0
6,000	422	$44	−378	$84	0	−$84	−500	−500	0	−500	−500	0	−500	−500	
8,000	787	460	−327	374	0	−374	−26	−250	−$224	−166	−250	−$84	−250	−250	0
10,000	1,177	925	−252	702	$99	−603	534	0	−534	374	0	−374	84	0	−$84
12,500	1,585	1,391	−195	1,152	624	−528	972	324	−648	792	24	−768	454	0	−454
15,000	2,047	1,960	−87	1,625	1,206	−419	1,415	906	−509	1,233	606	−627	873	6	−867
17,500	2,547	2,602	+55	2,029	1,662	−367	1,819	1,362	−457	1,609	1,062	−547	1,220	462	−758
20,000	3,115	3,279	+164	2,457	2,189	−268	2,223	1,889	−334	2,013	1,589	−424	1,593	989	−604
25,000	4,364	4,824	+460	3,399	3,396	−3	3,141	3,096	−45	2,901	2,796	−105	2,421	2,196	−225
30,000	5,718	6,604	+886	4,477	4,826	+349	4,197	4,526	+329	3,917	4,226	+309	3,357	3,626	+269
35,000	7,220	8,619	+1,399	5,705	6,523	+818	5,385	6,223	+838	5,065	5,923	+858	4,435	5,323	+888
40,000	8,886	10,732	+1,846	7,052	8,328	+1,276	6,682	8,028	+1,346	6,312	7,728	+1,416	5,657	7,128	+1,471
50,000	12,559	15,042	+2,483	10,183	12,394	+2,211	9,753	12,094	+2,341	9,323	11,794	+2,471	8,463	11,194	+2,731
60,000	16,392	19,352	+2,960	13,602	16,638	+3,036	13,112	16,338	+3,226	12,634	16,038	+3,404	11,774	15,438	+3,664
70,000	20,242	23,662	+3,420	17,375	20,948	+3,573	16,885	20,648	+3,763	16,395	20,348	+3,953	15,415	19,748	+4,333
80,000	24,092	27,972	+3,880	21,178	25,258	+4,080	20,678	24,958	+4,280	20,178	24,658	+4,480	19,188	24,058	+4,870
90,000	27,942	32,282	+4,340	25,028	29,568	+4,540	24,528	29,268	+4,740	24,028	28,968	+4,940	23,028	28,368	+5,340
100,000	31,792	36,592	+4,800	28,878	33,878	+5,000	28,378	33,578	+5,200	27,878	33,278	+5,400	26,878	32,678	+5,800

[1] Computed without reference to the tax tables.
[2] Wage or salary and/or self-employment income.

Note: Details may not add to totals because of rounding.

Source: Staff of the Joint Committee on Taxation. ●

THE HEALTH SECURITY ACT OF 1979

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

● Mr. CORMAN. Mr. Speaker, today I have introduced the Health Security Act of 1979, H.R. 21, along with 24 Members of the House of Representatives. The cosponsoring Members on this first day of the 96th Congress are the following:

Mr. Pepper, Mr. Stark, Mr. Addabbo, Mr. Anderson of California, Mr. Bonker, Mr. Clay, Mr. Conyers, Mr. Diggs, Mr. Drinan, Mr. Edwards of California, Mr. Fascell, Mr. Kildee, Mr. Lehman, Mr. Minish, Mr. Moakley, Mr. Myers of Pennsylvania, Mr. Oberstar, Mr. Reuss, Mr. Rodino, Mr. Rosenthal, Mr. Thompson, Mr. Weaver, Mr. Weiss, and Mr. Won Pat.

For the last 10 years a broad coalition of organizations and millions of individuals have united in developing the health security program and working for its enactment. The program reflects the highest standards and is as ambitious as attainable.

Last month, the Democratic Party, in midterm conference, reaffirmed its support for comprehensive national health insurance with universal and mandatory coverage. The program is to be publicly financed by a combination of employer-employee payroll taxes and general revenues. Let there be no doubt that health security is the only program which satisfies that pledge.

The struggle against the strong vested interests of the large health care industry and the health insurance companies has often been difficult and frustrating. But Americans have set their sights high and the best in national health insurance is too valuable to sacrifice for the allure of expediency.

Some Americans enjoy the best medical care. Now the American people want quality medical care available to all and the best system in the world for its delivery and financing.

It is imperative that, at this crucial juncture in the consideration of national health insurance, the commitment to the principles of health security be strengthened.

The Health Security Act reflects two fundamental objectives. The first is that every American should be assured access to appropriate health care. To eliminate income, residence, employment status, and age as barriers to health services, health security will establish uniform and comprehensive benefits without the usual insurance premiums, exclusions, deductibles, or copayments. Age, employment status, economic circumstanes will be irrelevant.

It is essential that NHI coverage be universal-compulsory and provided under one publicly financed and administered program. Everyone must enjoy uninterrupted coverage and make contributions accordingly. Only then can the program accommodate the ever-changing circumstances of individuals. Means testing, however subtle, must be avoided.

The second precept is that a national health program must go beyond insuring health care to the more difficult, but central, problems of securing health care. In other words, a national health insurance program must introduce improvements in the organization, availability and quality of services.

The success with health care reforms is dependent on the leverage of a single universal program and the open decisionmaking process and accountability of a public program.

Health security will establish a broad system for health care in the United States, not just be a new method for paying the bills for doctors and hospitals.

The program will be a working partnership between the public and private sectors. Care will be provided by physicians, hospitals, and other private providers in the same way it is done today. The health security program is not a national health service in which the Government owns the facilities and employs the personnel.

The national health insurance debate has been sidetracked far too long by the sham argument about cost. Instead of a serious and forthright discussion about the merits of the various legislative proposals, the American people have suffered the dishonesty of a range of counterfeit cost estimates.

The issue is not what proposals are less expensive than others, because the American public knows who pays the final bill. The important point is that we are now spending about $200 billion for health care and that amount will almost double in 5 years. This tab is picked up by each of us as patients, taxpayers, and consumers.

The Federal budget impact cannot be ignored. However, national health insurance would rechannel present financing, not be new expenditures for the economy. Gimmicks which may be used in an attempt to disguise the cost of health care would only serve to hinder the proper objectives of national health insurance.

Thus, the primary issue is whether the stark economics of health care are allowed to go unchecked or whether responsible public policy decisions will be made to reform the health care delivery system.

National health insurance is not needed, in the form of health security or any other program, because we as families or a nation need to spend more money to obtain necessary health services. We spend more per capita and use more of the Nation's resources for health purposes than any other nation in the world.

Support for comprehensive national health insurance arises out of the increasing need to spend our health care dollars more effectively and efficiently. The rapid and uncontrollable increases in medical costs under the existing methods of receiving and paying for care have become too burdensome.

The litany of facts and figures about

the rising health expenditures need not be repeated. In short, health costs have outstripped general economic growth as well as workers' wages.

The design of the Health Security Act is to improve and protect health, while maintaining health expenditures within reasonable limits. Initially, as all Americans obtain access to needed care under health security, some increase in expenditures can be expected.

Health security is the only health program that contains realistic mechanisms for effectively containing and directing health expenditures. Through a national and regional budgeting process under which hospitals budget their costs and doctors stick to established fee schedules, increases in health expenditures will be kept within reasonable limits and directed to meet changing health needs.

Encouraging prepaid health programs, preventive medicine, early diagnosis, and outpatient treatment will substantially improve the quality of health care and result in less costly care than if present arrangements are allowed to continue.

Under Health security, people will pay for services when they are well and working, not at the time of illness. A full range of preventive, routine, and catastrophic health services will be available when they are needed, not delayed until they can be afforded. Providers will be paid in full directly from the Health Security Trust Fund. The patient will receive no bills for extra charges.

The total health costs will be distributed through the equitable and proven social insurance system with employers-employees contributions and the Federal general revenue sharing the cost. There will also be a tax on nonearned income to cover the nonworking wealthy and assure that contributions are made according to ability to pay. As a result, a family's health costs will be predictable and easily budgeted.

It has been alleged that a program that does not impose deductibles and coinsurance, will result in high rates of unnecessary use of health resources. There is no evidence that this would happen, and in Canada the evidence is to the contrary. Slight increases in utilization occurred under Canada's health system when deductibles were removed, but these soon leveled off. Canada's experience clearly demonstrates that the paperwork and costs of administering deductibles results in more waste than savings.

Health security will actively encourage more efficient organization and equal distribution of existing health manpower and provide funds for special training of health professionals and allied personnel. A resources development fund would be established to support innovative health programs, particularly in manpower, education, training, and group practice development.

Fifty years of experience has provided clear indications that a system of private health insurance, even if it is expanded as proposed in some bills or heavily regulated as in others, will not assure uninterrupted protection or provide access to quality health care for everyone. A program of employment-based coverage through private carriers cannot assure the needed level of coverage.

Private insurance, a major contributor to our Nation's health care problems, cannot now be employed as part of the solution.

There is a widely held misconception that private health insurance covers the needs of American workers and their families. Yet of the total amount spent for personal health care, private insurance pays only 28 percent.

The Congressional Budget Office reports that less than half the Nation has major medical coverage and is "reasonably well protected against high expenses." A full 18 million citizens were found to be completely unprotected by either private insurance or public programs. Much of the rest of the population has their fingers crossed with an inadequate policy in the back pocket.

A role for the private sector in national health insurance as administrative or fiscal agents is workable. But the continuation of private underwriting defies justification. Private underwriting is unwarranted under NHI as the element of risk is removed from the provision of health services. In addition, retention of private insurers thwarts the objective of universal coverage and creates massive administrative difficulties in providing continuous coverage.

As lawmakers, we know the necessity for negotiating a sound and workable program which can be enacted as soon as possible. There are provisions of the health security program which could be modified in a manner acceptable to the principles of health security. Such things as phasing in of benefits beginning with maternal and child health, a role for private insurers as fiscal and administrative agents, a stronger role for State governments in program operation, and a public insurance corporation with an opt-out feature to private insurers could be devised.

But compromises which damage the social insurance nature of health security will be strongly resisted.

During congressional consideration of national health insurance, the opportunities to approve incremental improvements to the health system should be used fully. Substantial progress has been made in recent years and more progress can be made in the 96th Congress as hospital cost containment, medicare-medicaid reforms, health planning, child health, clinical lab standards, and other health legislation is approved.

I include the following section-by-section analysis for the further information of my colleagues:

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SECTION-BY-SECTION ANALYSIS OF THE HEALTH SECURITY ACT

TITLE I—HEALTH SECURITY BENEFITS

Part A—Eligibility for benefits

(Sections 11–12.) Every resident of the U.S. (and every non-resident citizen when in the U.S.) will be eligible for covered services. Reciprocal and "buy in" agreements will permit the coverage of groups of non-resident aliens, and in some cases benefits to U.S. residents when visiting in other countries.

Part B—Nature and scope of benefits: covered services

(Section 21.) Every eligible person is entitled to have payments made by the Board for covered services provided within the United States by a participating provider.

(Section 22.) All necessary professional services of physicians (including preventive care) are covered wherever furnished, with one quantitative limitation. Psychiatric services to an ambulatory patient are covered without limit if the patient seeks care in the organized setting of a group practice organization, a hospital out-patient clinic, or other comprehensive mental health clinic. In these kinds of organized settings, peer review and budgetary controls can be expected to curtail unnecessary utilization.

If the patient is consulting a solo practitioner, however, there is a limit of 20 consultations per benefit period. In communities where psychiatric services are in especially short supply, the Board may prescribe referral or other nonfinancial conditions to give persons most in need of services a priority of access to solo practitioners.

(Section 23.) Comprehensive dental services (exclusive of most orthodontial) are covered for children under age 15, with the covered age group increasing by two years each year until all those under age 25 are covered. (Persons once covered remain covered for the rest of their lives). This benefit is limited initially because, even with full use of dental auxiliaries, there is insufficient manpower to provide dental benefits to the entire population. However, the Board may expand the benefits more rapidly if availability of resources warrants, and the Board is required within seven years of the effective date of the legislation to establish a timetable for phasing in benefits for the entire population. To encourage the development of groups which provide comprehensive medical and dental services or comprehensive dental services, the Board may phase in dental benefits more rapidly for the enrollees of those groups.

(Section 24.) In-patient and out-patient hospital services and services of a home health agency are covered for the duration of the services, and skilled nursing home services are covered for limited periods. Pathology and radiology services are specifically included as parts of institutional services, thus reversing the practice of Medicare. Domiciliary or custodial care is specifically excluded in any institution, thus necessitating the two important restrictions on payments for institutional care:

(1) Payment for skilled nursing home care is limited to 120 days per benefit period, except that this limit may be increased either when the nursing home is owned or managed by a hospital and payment for care is made through the hospital's budget or for all nursing homes affiliated with hospitals. It is not practical to assume that the majority of nursing homes and extended care facilities in the country will be able to implement effective utilization review and control plans in the first years of Health Security. The demand for essentially domiciliary or custodial care in nursing homes is so overwhelming that an initial arbitrary limit on days of coverage is necessary. Extension of the benefit is authorized when this becomes feasible.

(2) Some hospitals do not provide optimal active treatment to their psychiatric patients but rather maintain them in a custodial setting. If Health Security provides unlimited coverage for patients in these hospitals, it might tend to freeze the level of care instead of stimulating these institutions to upgrade their medical care performance. Therefore, the psychiatric hospital benefit is limited to 45 days of *active treatment* during a benefit period.

(Section 25.) The bill provides coverage for two categories of drug use: prescribed medicines administered to in-patients or out-patients within participating hospitals or to enrollees of comprehensive health service organizations, and drugs necessary for the treatment of specified chronic illnesses or conditions requiring long or expensive drug therapy. This will provide coverage of most drug costs for individuals who require costly drug therapy.

The bill requires the Board and the Secretary of HEW to establish two lists of approved drugs. There will be a broad list of approved medicines available for use in institutions and by comprehensive health service organizations and a more restricted list which is available for use outside such organized settings. The restricted list shall stipulate which drugs on it shall be available for treatment of each of the specified chronic diseases. No such restrictions shall be placed upon drug therapy within an institutional setting.

Use of the restricted list will meet the most costly needs for drug therapy while restraining unnecessary utilization. The benefit is more liberal where adequate control mechanisms exist.

(Section 26.) The appliances benefit is similar in concept and operation to the drug benefit, subject to a limitation on aggregate cost. The Board shall prepare lists of approved devices, appliances or equipment which it finds are important for the maintenance or restoration of health, employability or self-management (taking into consideration the reliability and cost of each item). The Board will also specify the circumstances or the frequency with which the item may be prescribed at the cost of the Health Security program.

(Section 27.) The professional services of optometrists and podiatrists are covered, subject to regulations, as are diagnostic or therapeutic services furnished by independent pathology laboratories and radiology services. The care of a psychiatric patient in a mental health day care service is covered for up to 60 days (day care benefits are unlimited if furnished by a group practice organization, by a comprehensive mental health center, or by an approved mental health day care service). Ambulance and other emergency transportation services are covered, as well as non-emergency services where (as in some sparsely settled areas) transportation is essential to overcome special difficulty of access to covered services.

Supporting services such as psychological, physiotherapy, nutrition, social work and health education are covered if they are part

of institutional services or are furnished by a group practice organization, individual practice association or certain public or non-profit organizations. This establishes the important principle that these and other supporting services should be provided as part of a coordinated program of health maintenance and care. Participating psychologists, physical therapists, social workers, etc. will not be permitted to establish independent practices and bill the program on a fee-for-service basis. This is intended to assure that services of this nature are provided as part of an organized plan of treatment and relate to the overall care of the patient.

In addition to services available from hospitals, mental health centers or other providers, free-standing alcohol, drug abuse, family planning and rehabilitation centers would be recognized as providers if such centers have an agreement with the Board.

(Section 28.) Health services furnished or paid for under a workmen's compensation law are not covered. Reimbursement for loss of earnings is so closely interlocked with the health services aspects of workmen's compensation that absorption of the health services portion could have the effect of delaying findings of eligibility for income payments.

School health services are covered only to the extent provided in regulations.

The Board may exclude from coverage medical or surgical procedures which are essentially experimental in nature. Individuals who enroll in a comprehensive health service organization or enroll with a primary practitioner accepting capitation payments are not covered for services from other providers (except as specified in regulations). Surgery primarily for cosmetic purposes is excluded from coverage.

The services of a practitioner are not covered if they are furnished in a hospital which is not a participating provider. This is intended to discourage physicians from admitting patients to hospitals which do not meet program standards.

Part C—Participating providers of services

(Section 41(a).) Participating providers are required to meet quality of care standards established in this title or by the Board under Part H. They must comply with requirements the Board finds necessary, to assure that their employees enjoy employment rights and working conditions similar to those of other workers. In addition, they must provide services without discrimination, make no charge to the patient for any covered service, and furnish data necessary for utilization review by professional peers, statistical studies by the Board and by the Commission on the Quality of Health Care and verification of information for payments.

(b) A provider's participation may be terminated under procedures described in part G of the bill.

(c) If a provider is merged, consolidated or reorganized, pre-existing employment rights shall be subject to reasonable requirements by the Board for protection of employees' rights.

(Section 42(a).) Practitioners licensed when the program begins are eligible to practice in the State where they are licensed. All newly licensed applicants for participation must meet national standards established by the Board in addition to those required by the State. While stopping short of creating a Federal licensure system for health professionals, this will guarantee minimum national standards. A state-licensed practitioner who meets national standards will be qualified to provide Health Security covered services in any other state.

(b) For purposes of this title a doctor of osteopathy is a physician, as is a dentist when performing procedures which, in generally accepted medical practice, may be performed by either a physician or a dentist.

A doctor of optometry or podiatry qualified in accordance with subsection (a) is a physician when furnishing services which are covered services in accordance with regulations issued under Section 27(a) and which he is legally qualified to furnish in the state in which he furnished them.

(Section 43.) This section establishes conditions of participation for general hospitals similar to those required by Medicare. Two requirements not found in the Medicare program are: (1) that the hospital must not discriminate in granting staff privileges on any grounds unrelated to professional qualifications; (2) that the hospital establish a pharmacy and drug therapeutics committee for supervision of hospital drug therapy. Medicare allows any hospital accredited by the Joint Commission on the Accreditation of Hospitals (if it provides utilization review) to participate in the program, thus in effect delegating to the Commission the determination whether the standards are met. This title requires all participating hospitals to meet standards established by the Board.

(Section 44.) Psychiatric hospitals will be eligible to participate if the Board finds that the hospital (or a distinct part of the hospital) is engaged in furnishing active diagnostic, therapeutic and rehabilitative services to mentally ill patients. Psychiatric hospitals are required to meet the same standards as those prescribed for general hospitals in section 43, and such other conditions as the Board finds necessary to demonstrate that the institution is providing active treatment to its patients. These standards will exclude costs incurred by state mental institutions to the extent they serve domiciliary or custodial functions.

(Sections 45 and 46.) Section 45 establishes conditions of participation for skilled nursing homes similar to those established for extended care facilities under Medicare. Important differences, however, are the requirement for affiliation with a participating hospital or group practice organization (see Section 51(b)) and changes in the requirements for utilization review (see Section 50). Under Section 46 participation by home health agencies will be limited to public agencies and non-profit private organizations—proprietary home health agencies are specifically excluded.

(Section 47.) Subsection (a) describes a group practice organization (one type of health maintenance organization) which undertakes to provide an enrolled population either with complete health care or, at the least, with complete Health Security services (other than mental health or dental services) for the maintenance of health and the care of ambulatory patients. The bill, in its aim to improve the methods of delivery of health services, places much emphasis on the development of new organizations of this kind and the enlargement of old ones.

Other requirements are spelled out in this section: The organization must furnish medical services (and dental services if they are included) through prepaid group practice. Other services must be furnished by staff of the organization or by contractors for whom the organization assumes responsibility, except that institutional services may be provided by arrangements with other participating providers at the expense of the group practice organization. The organization must be non-profit, but it may utilize proprietary providers in fulfilling its responsibilities.

All persons living in or near a specified service area will be eligible to enroll during an annual open enrollment period, subject to the capacity of the organization to furnish care. Services must be reasonably accessible to persons living within the specified service area. Periodic consultation with representatives of enrollees is required, and they must be given opportunity to participate in policy formulation and in evaluation of operation. Professional policies and their effectuation, including monitoring the quality of services and their utilization, are to be the responsibility of a committee or committees of physicians (and other health professionals where appropriate). Health education and the use of preventive services must be stressed, and consumers are to be employed so far as is consistent with good medical practice. Charges for any services not covered by Health Security must be reasonable. Finally, the organization must pay for services furnished by other providers in emergencies, either within the service area of the organization or elsewhere, but may meet this requirement to the extent feasible through reciprocal arrangements with other organizations.

Subsection (b) makes clear that the organization, or professionals furnishing services for it, may also serve non-enrollees, with payment to be made to the organization, or, at its request, to such professionals.

(Section 48.) An individual practice association (another type of health maintenance organization) must be a non-profit organization, sponsored by a local medical society, which meets the conditions for participation by a group practice organization other than the requirement of group practice. Physicians practicing in the area (and dentists if dental services are furnished) must be permitted to become members, subject only to criteria, approved by the Board, relating to professional qualifications. For services to enrollees, professional members may be compensated by the association by whatever method, including fee-for-service, may be agreed upon by it and its members.

Subsection (b) provides that a professional member may furnish services to persons not enrolled in the association and receive payment from the Board on the same basis as independent practitioners, except that if he is paid by capitation, salary, or stipend by the association, the payment for services to non-enrollees is to be made to the association.

(Section 49.) This section deals with several classes of health organizations that vary widely, even within a single class, in their structure and in the scope of the services which they offer. Because statutory specifications cannot well be tailored to so many variables, the section sets forth only a general statement of the kinds of organizations to which it relates and leaves participation of each organization to a case-by-case decision of the Board on such terms as the Board deems proper.

Subsection 49(a)(1) permits the participation of community health centers or the like which, though furnishing a broad range of ambulatory services, do not serve an enrolled or otherwise predetermined population and may not meet some other requirements of section 47(a). Subsection (a)(2) authorizes the Board to deal separately with the primary care portion of a system of comprehensive care where it is necessary to rely on arrangements with other providers, rather than on a unified structure, to round out the other elements of the system. Where organizations meeting the requirements of section 47(a) or 48(a) are not available, these two paragraphs of section 49(a) give the Board flexibility in furthering one of the bill's prime objectives, the development and broad availability of comprehensive services furnished on a coordinated basis.

Because of the extent to which mental health services are separated from other health care, subsection (a)(3) permits the Board to contract directly with public or other non-profit mental health centers and mental health and day care services.

If a state or local public health agency is providing preventative or diagnostic services, such as immunization or laboratory tests, the Board may under subsection (a)(4) con-

tract with it for the continuance of these services.

In accordance with regulations, the Board may contract with free standing ambulatory treatment centers for alcoholism and/or drug abuse; for family planning services; and for rehabilitation services.

In the field of private practice, physicians, dentists or other practitioners may group themselves in a clinic or in any number of other ways, and it may be more convenient both to them and to the Board to regard them as an entity than to deal with each practitioner separately. Subsection (a)(8) permits this. The Board will have wide discretion in contracting with such entities subject to the limitation that, like other organizations described in section 49(a), the entity may not (under section 88(a)) be paid on a fee-for-service basis. Practitioners who elect that method of payment may of course pool their bills for submission to the Board, but there is no reason to contract with a unit for the payment of fees to it.

Subsection (b) makes clear that agreements with the Board under this section shall not (unless expressly so stipulated) preclude practitioners furnishing services under the agreements from furnishing other services as independent providers.

(Section 50.) This section specifies the general conditions under which independent pathology laboratories, independent radiological services, providers of drugs, devices, appliances, equipment, or ambulance services may qualify as providers. As under Medicare, a Christian Sciences Sanatorium qualifies if operated, or listed and certified, by the First Church of Christ, Scientist, Boston.

(Section 51.) The requirements of utilization review in hospitals and skilled nursing homes are similar to those in Medicare. The review is designed to serve a dual purpose: identification of misuses of institutional services with a view to their termination, and a focusing of attention on the efficient utilization of institutional resources. Section 51(a) strengthens the educational aspect of the process by requiring that records of reviews be maintained and statistical summaries of them be reported periodically to the institution and its medical staff (and, on request, to the Board). The review committee will consist of two or more physicians, with or without other professional participation; and in the case of hospitals, will normally be drawn from the medical staff unless for some reason an outside group is required. For skilled nursing homes, on the other hand, section 51(c) departs from Medicare by permitting as an alternative that the Committee be established by the State or local public health agency under contract with the Board, or failing that, by the Board. If the nursing home operates under a consolidated budget with a hospital, the review will be made by the hospital committee. Like Medicare, Section 51(d) and (e) call for review of specific long-stay cases as required by regulations, and notification to the institution, the attending physician, and the patient when a decision adverse to further institutional services is made.

(Section 52.) Subsection (a) of Section 52 requires a participating skilled nursing home to have an agreement with at least one participating hospital for the transfer of patients and medical information. Subsection (b) requires that, two years after the beginning of health benefits, skilled nursing homes and home health service agencies, affiliate with a participating hospital or group practice organization. Unless the medical staff of the hospital or organization undertakes to furnish the professional services in the nursing home or the professional services of the home health service agency, that medical staff or a committee of it must assume responsibility for these services. Subsection (c) allows the Board to waive the application of either of these requirements to a skilled nursing home or a home health agency which the Board finds essential to the provision of adequate services, if lack of a suitable hospital or organization within a reasonable distance makes a transfer or an affiliation agreement impracticable.

(Section 53.) If the construction or substantial enlargement of a hospital, skilled nursing home, or ambulatory care facility has been undertaken after December 31 of the year of enactment, without either a State certificate of need or a prior approval by a planning agency designated by the governor of the State or the Board, section 53 precludes the institution from participating in the Health Security program, except that in case of enlargement, the Board may permit participation subject to reduction in reimbursement for services. This should greatly strengthen state and local health planning agencies.

(Section 54.) This section prohibits double recovery in malpractice litigation by stipulating that no damages will be awarded to the injured party for remedial services which are available without cost under the Health Security program.

(Section 55.) Institutions of the Department of Defense and the Veterans' Administration, and institutions of the Department of Health, Education, and Welfare serving merchant seamen or Indians or Alaskan natives, are excluded from serving as participating providers, as is also any employee of these institutions when he is acting as an employee. The Board will, however, provide reimbursement for any services furnished (in emergencies, for example) by these institutions or agencies to eligible persons who are not a part of their normal clientele. It will also provide reimbursement for services furnished by members of the National Health Service Corps.

(Section 56.) This section overrides, for purposes of the Health Security Program, State laws of several kinds which inhibit the utilization or the mobility of health personnel, cloud the legality of so-called "corporate practice" of health professions, or restrict the creation of group practice organizations.

The first three paragraphs of subsection (a), while stopping short of creating a system of Federal licensure for health personnel, will greatly facilitate both the interstate mobility of State licensees and the effective use of ancillary personnel in the furnishing of health care. The dispensations contained in these paragraphs will be available to persons who meet national standards established by the Board.

Paragraph (1) permits a physician, dentist, optometrist, or podiatrist, licensed in one State and meeting the national standards, to furnish Health Security benefits in any other State, the scope of his permissible practice being governed by the law of the State in which he is practicing. This paragraph obviates the difficulty and cost which a practitioner may encounter, especially where reciprocity of licensure is not available, in taking up practice in a State in which he has not been licensed.

Paragraph (2) grants a similar authority to other health professional and non-professional personnel. For occupations such as pharmacy and professional nursing, which are subject to licensure in all States, a person can avail himself of this paragraph only if he is licensed in one State and meets the national standards; in other cases, where licensure is not universally required, compliance with national standards is sufficient.

The restrictions which many professional practice acts impose on the use of lay assistants, and the legal uncertainties which often deter such use, discourage practices that can increase greatly, without sacrifice of safety, the volume of services which professionals can render. Accordingly, paragraph (3) of subsection (a) enables the Board to permit physicians and dentists, participating in public or non-profit hospitals and group practice organizations, to use ancillary health personnel, acting under professional supervision and responsibility, to assist in furnishing Health Security benefits. Such assistants may do only things which the Board has specified, and may be used only in the context of an organized medical staff or medical group. Persons employed as assistants must meet national standards for their occupations, and satisfy special qualifications that the Board may set for particular acts or procedures.

To encourage salaried practice and the integration of professional practitioners into well-structured organizations for the delivery of health services, paragraph (4) of subsection (a) does away with the "corporate practice" rule insofar as it concerns participating public or other non-profit hospitals and group practice organizations. These institutions may employ physicians or make other arrangements for their services, unless in the unlikely event that the lay interference with professional acts or judgments should be threatened. No conflict of interest results from such arrangements; in the non-profit setting loyalty to employer and loyalty to patient run parallel.

Some state laws place restrictions of one kind or another on the incorporation of group practice organizations. When these restrictions prevent the State incorporation of an organization meeting the strict requirements of the Health Security Act, section 56(b) empowers the Secretary to incorporate it for purposes of the Act. Except for the special restrictions, State law will govern the corporation.

Part D—Trust fund; allocation of funds for services

(Section 61.) By section 406(a) of the present bill, section 1817 of the Social Security Act, creating the Federal Hospital Insurance Trust Fund, is amended and transferred to become section 61 of the Health Security Act. The fund will thus become the Health Security Trust Fund, succeeding to the assets and liabilities of both Medicare trust funds, and receiving the proceeds of the health security taxes imposed by title II of the Health Security Act and the authorized appropriations from general revenues equal to 100 percent of those tax receipts.

The Fund will also receive recoveries of overpayments, and receipts from loans and other agreements. To implement the role of the Trust Fund, the Managing Trustee (the Secretary of the Treasury) will make payments from the Trust Fund provided for under Title I, as the Board certifies, and with respect to administrative expenses as authorized annually by the Congress.

(Section 62.) The Health Security program is intended to operate on a budget basis overall. Accordingly, subsection (a) requires the Board to determine for each fiscal year the maximum amount which may be available for obligation from the Trust Fund. The amount so determined in advance shall not exceed the smaller of two stated limitations. The first limit is fixed on 200% of the expected net receipts from all the health Security taxes (i.e., the tax receipts augmented by 100% thereof, to be appropriated into the Fund from general revenues of the Government). The second limit, applicable to each fiscal year after the first year of benefit operation is an amount equal to the estimated current obligations, subject to certain adjustments. Adjustments will reflect change expected in: (A) the price of goods and services; (B) the number of eligible persons; (C) the number of participating professional providers, or the number or capacity of institutional or other participating providers so far as such changes are not already adequately reflected; and (D) the expected cost of program administration.

In the interest of prudent fiscal management, subsection (b) requires the Board to restrict its estimate of the amount available for obligation in the next fiscal year (in accordance with subsection (a)) if the Board estimates that the amount in the Trust Fund at the beginning of the next fiscal year will be less than one-quarter of the total obligations to be incurred for the current year, and that such restriction will not impair the adequacy or quality of the services to be provided. Also, the Board is required to reduce its alternative estimate of the maximum amount to be available if it finds that the aggregate cost to be expected has been reduced (or an expected increase has been lessened) through improvement in organization and delivery of service or through utilization control.

Subsection (c) provides against various other contingencies which may result in increase or decrease in the estimate of the maximum amount to be available for obligation in a next fiscal year. The amount may be modified before or during the fiscal year: if the Secretary of the Treasury finds that the expected Health Security tax receipts will differ by 1 percent or more from the estimate used under subsection (a); or if the Board finds that either its factors of expected change or the cost of administration is expected to differ from the estimate by 5 percent or more; or if an epidemic, disaster or other occurrence compels higher expenditure than had been expected. If, as a result, the maximum estimate has to be increased, the Board shall promptly report its action to the Congress with its reasons.

(Section 63.) Subsection (a) provides that separate accounts shall be established in the Health Security Trust Fund—a Health Services Account, a Health Resources Development Account, and an Administration Account, as well as a residual General Account. Subsection (b) provides that in each of the first two years of program operation, 2 percent of the Trust Fund shall be set aside for the Health Resources Development Fund; and the allocation shall increase by 1 percent at two-year intervals to 5 percent within the next 6 years. The money in this account will be used for the planning and system improvement purposes described in part F.

(c) (d) After deducting the amount approved by Congress and transferred to the Administration Account, the remainder of the monies shall be allocated to the Health Services Account, and shall be used for making payment for services in accordance with Part E.

(Section 64.) This section provides for allocation of the Health Services Account among the regions of the country. (a) The allocation to each region shall be based on the aggregate sum expended during the most recent 12-month period for covered services (with appropriate modification for estimated changes in the price of goods and services, the expected number of eligible beneficiaries, and the number of participating providers). (b) In allocating funds to the regions the Board shall seek to reduce, and over the years gradually eliminate, existing differences among the regions in the average per capita amount expended upon covered services (except when these reflect differences in the price of goods and services). To accomplish this, the Board will curtail increases in allocations to high expenditure regions and stimulate an increase in the availability and utilization of services in regions in which the per capita cost is lower than the national average. (c) A contingency reserve of up to 5% may be withheld from allocation. If the remaining funds available are inadequate, allocations will be reduced pro rata. (d) Allocations may be modified before or during a fiscal year if the Board finds this is necessary.

(Section 65.) The Board will divide the allocation to each region into funds available to pay for: institutional services; physician services; dental services; furnishing of drugs; furnishing of devices, appliances and equipment; and other professional and supporting services, including sub-funds for optometrists, podiatrists, independent pathology laboratories, independent radiology services, and other items. The percent allocated to each category of service may vary from region to region. In determining allocation to these funds they will be guided by the previous years' expenditures for each category of service but also take into account trends in the utilization of services and the desirability of stimulating improved utilization of preventive and ambulatory services.

(Section 66.) These regional funds will be sub-divided among the health service areas in each region, primarily upon the basis of the previous years' expenditure for each kind of service. Again, the Board will gradually attempt to achieve the equalization of services within each region by restraining the increase of expenditures in high cost areas and channeling funds into health service areas with a low level of expenditures.

(Section 67.) Before or during a fiscal year, the division of regional funds by classes of service or the allotments to health service areas may be modified if necessary or if indicated by newly acquired information.

Part E—Payment to providers of services

(Section 81.) Payments for covered services provided to eligible persons by participating providers will be made from the Health Services Account in the Trust Fund.

(Section 82.) This section delineates methods of paying professional practitioners. Every independent practitioner (physician, dentist, podiatrist, or optometrist) shall be entitled to be paid by the-fee-for-service method (subsection (a)), the amounts paid being in accordance with relative value scales prescribed after consultation with the professions (subsection (g)). Each physician engaged in general or family practice of medicine in independent practice may elect to be paid by the capitation method if he agrees to furnish individuals enrolled on his list with all necessary and appropriate primary services, make arrangements for referral of patients to specialists or institutions when necessary, and maintain records required for medical audit; and independent dentist practitioners may elect the capitation method of payment similarly (subsection (b)).

These requirements in connection with capitation payments are intended to assure that the physician (or dentist) provides to his patients all professional services within the range of his undertaking and secures other needed services by referral. Through regular medical audits, the Board will monitor the level and quality of care provided.

When necessary to assure the availability of services in a given area, subsection (c) permits paying practitioners a stipend in lieu of or as a supplement to other methods of compensation. This method of payment will be used selectively by the Board, mainly to encourage the location of practitioners in remote or deprived areas. Practitioners may also be reimbursed for the special costs of continuing education required by the Board and for maintaining linkages with other providers—for example, communication costs. Incentives under this provision will encourage physicians to improve the quality and continuity of patient care, even if the physician does not participate in a group practice. The Board may pay for specialized medical services on a per session or per case basis, or may use a combination of methods authorized by this section.

Subsection (d) defines the capitation method of payment.

Subsections (e), (f), (g). These subsections describe the method to be used in applying, as between practitioners electing the various methods of payments, the monies available in each health service area for payment to each category of professional providers. From the amount allocated to each service area, the Board will earmark funds sufficient to pay practitioners receiving stipends and for the professional services component of institutional budgets, such as hospitals. The remainder of the money will be divided to compute the per capita amount available for each category of service (i.e., physicians, dentists, podiatrists, optometrists) to the residents of the area. This per capita amount in each category will fix the capitation payments to organizations that undertake to provide the full range of services in that category to enrolled individuals. Lesser amounts will be fixed for more limited services. For example, if the per capita amounts available for physicians and dental services are $65 and $25, respectively, primary physicians accepting capitation payments will receive the percentage of that $65 which is allocated for primary services, a medical society-sponsored individual practice association would receive the entire $65 for physician services, dentists furnishing all covered services would receive the $25 allocated for dental services, and organizations which undertake to provide all physician and dental services to enrolled individuals will receive $90 for each enrolled individual.

The budget per capita amount for each type of covered service (physician, dental, etc.) will be divided between the categories of providers of service according to the number of individuals who elect to receive care from those providers. For example, in a city of 100,000 people, 25,000 may enroll in a group practice organization. Using the figures cited in the example above, the Board will pay the group practice organization $1,625,000 ($65×25,000) for physician services. The other 75,000 individuals elect to receive their physician services from solo, fee-for-service practitioners. The Board will create a fund of $4,875,000 ($65×75,000) to pay all fee-for-service bills submitted by physicians in that community, in accordance with relative value scales and unit values fixed by the Board. The fund for fee payments will be augmented to the extent that some capitation payments have been lowered because they cover only primary services, and may be augmented further where a substantial volume of services is furnished, on a fee basis, to non-residents of the area.

Subsection (h) authorizes the Board to experiment with other methods of reimbursement so long as the experimental method does not increase the cost of service or lead to overutilization or underutilization of services.

(Section 83.) Hospitals will be paid on the basis of a predetermined annual budget covering their approved costs. To facilitate review of these budgets, the Board will institute a national uniform accounting system. Subsection (b) stipulates that the costs recognized for purposes of the budget will be those incurred in furnishing the normal services of the institution except as changed by agreement, or by order of the Board under section 134. This will enable the Board, on the basis of State and local planning, to eliminate, gradually, wasteful or duplicative services, and also to provide for an orderly expansion of hospital services where needed.

Physicians and other professional practitioners whose services are held out as available to patients generally (such as pathologists and radiologists) will be compensated through the institutional budget, whatever the method of compensation of such practitioners and whether or not they are employees of the hospital. This departs from the practice in Medicare which allows independent billing by such physicians. The in-

stitution's budget may also be increased to reflect the cost of owning or operating an affiliated skilled nursing home, or home health service agency. Hospital budgets will be reviewed by the Board, locally or regionally, which may permit participation by representatives of the hospitals in each region. Budgets may be modified before, during, or after the fiscal year if changes occur which make modification necessary.

(Section 84.) If an entire psychiatric hospital is found by the Board to be providing active treatment to its patients, and the institution is therefore primarily engaged in providing covered services to eligible beneficiaries, it will be paid on the same basis as a general hospital (on the basis of an approved annual budget). Otherwise the Board will negotiate a patient-day rate to be paid for each day of covered service provided.

(Section 85.) This section provides that skilled nursing homes and home health agencies will be paid on an approved annual budget basis. The Board may specify uniform systems of accounting and may prescribe the items to be used in determining approved costs and the services which will be recognized in budgets.

(Section 86.) Reimbursement for drugs will be made to the dispensing agent on the basis of an official "product price" for each drug on the approved list, plus a dispensing fee in the case of an independent pharmacist. The official product price will be set at a level which will encourage the pharmacy to purchase substantial quantities of the drug (this should result in significant reductions in the unit cost of each drug). The official price may be modified regionally to reflect differences in cost of acquiring drugs. The Board will establish dispensing fee schedules for reimbursing independent pharmacies. These schedules will take into account regional differences in costs of operation, differences in volume, level of services provided and other factors.

(Section 87.) Subsections (a) and (b) provide that a group practice organization or individual practice association will be paid a basic capitation rate multiplied by the number of enrollees. The amount of the capitation rate will be determined by the per capita amounts available for the several professional services in the area, and a rate fixed by the Board as the average reasonable and necessary cost per enrollee for other covered services.

Subsection (c) fixes capitation amounts for institutional services based on per diem rates derived from the budgets of participating institutional providers or institutions with which the organization or association may have a contractual agreement. The organization or association will be entitled to share in up to 75% of any savings which are achieved by lesser utilization of institutional services by its enrollees. Entitlement to such savings is conditional upon a finding that the services of the organization or association have been of high quality and adequate to the needs of its enrollees, and that the average utilization of hospital or skilled nursing services by the enrollees of the organization or association is less than the use of such services by comparable population groups not so enrolled but under otherwise comparable circumstances. This money may be used by the organization or association for any of its purposes, including the provision of services which are not covered under the Health Security program.

Subsection (e) directs the Board to allow organizations and associations to reinsure with the Board against catastrophic costs incurred on behalf of any one enrollee, against some or all of the costs of institutional care which it contracts out, and against some or all of the costs of out-of-area services.

Subsection (f) permits the Board to make an additional payment to a group practice organization for the cost of clinical education or training provided by the organization.

(Section 88.) Subsection (a) provides that an organization or agency with which the Board has entered into an agreement under section 49 (such as a neighborhood health center, a mental health center, or local public health agency furnishing preventive or diagnostic services) may be paid by any method agreed upon other than fee-for-service.

Subsection (b) provides that independent pathology or radiology services may be paid on the basis of an approved budget or such other methods as may be specified in regulations.

Subsection (c) leaves the method of payment for other types of supporting services to be specified in regulations.

(Section 89.) This section provides that the Board will reduce payments to institutional providers in accordance with findings by the Secretary that a facility or any part of a facility has not been built in compliance with the area health plan.

(Section 90.) All participating providers will be paid from the Health Services Account in the Trust Fund at such time or times as the Board finds appropriate (but not less often than monthly). The Board may make advance payment to providers for working funds.

Part I—Development fund

Subpart 1—Planning: Funds to improve services and to alleviate shortage of facilities and personnel.

(Section 101.) This section sets forth the purposes of subpart 1 of Part F. The subpart enables the Board, through selective financial assistance, to stimulate and assist in the development of comprehensive services, the education and training of health personnel who are in especially short supply, and the betterment of the organization and efficiency of the health delivery system. In carrying out these functions, the Board is to be guided by the planning with respect to health facilities and the organization of services under title XV of the Public Health Services Act. With respect to the supply and distribution of health personnel, the Board will rely on planning conducted by the Secretary.

(Section 102.) This section places on the Secretary a continuing duty to plan for improvement of the supply and distribution of health personnel, and to do this in consultation both with the health planning agencies and with appropriate professional organizations.

(Section 103.) In administering subpart 1, this section stipulates, the Board will give priority to improving comprehensive health services for ambulatory patients through the development or expansion of group practice organizations and community health centers, and primary care centers (where full service organizations are impractical), the recruitment and training of personnel, and the strengthening of coordination among providers of services. Funds will not be used to replace other Federal financial assistance, and may supplement other assistance only to meet specific needs of the Health Security program. Other Federal assistance programs are to be administered when possible to further the objectives of Part F, and the Board may provide loans or interest subsidies to help the beneficiaries of other programs to meet the requirements for non-Federal funds.

(Section 104.) Help of several kinds will be available under this section for the creation or the enlargement of group practice organizations to serve an enrolled population on a capitation basis, agencies such as neighborhood health centers which need not require enrollment in advance, primary care centers, or organizations furnishing comprehensive dental services. Grants may be made to any public or other non-profit organization (which need not be a health organization) to help meet the cost, other than construction cost, of establishing such organizations, and to existing organizations to help meet the cost of expansion: the maximum grants being, in the former case 90 percent of the cost, in the latter 80 percent. Technical assistance may also be provided for these purposes. Loans may be made for the cost of necessary construction, subject to the same 90 and 80 percent limitations on amount. Finally, start-up costs of operation of these organizations may be underwritten, for five years in the case of organizations which must build up an enrollment to assure operating income, and in other cases until the Health Security program begins payment for services in the first year of entitlement to benefits. The effect of these several provisions is to reduce sharply, if not eliminate, the financial obstacles which have heretofore impeded the growth of group practice and similar organizations.

(Section 105.) This section contains a series of provisions to assist in the recruitment, education, and training of health personnel. The Board will establish priorities to meet the most urgent needs of the Health Security system, but the priorities will be flexible both as between different regions and from time to time. Professional practitioners will be recruited for service in shortage areas, both urban and rural, and in group practice organizations, and such practitioners may be given income guarantees. Other Federal assistance for health education and training will be availed of, but the Board may supplement the other assistance if the Board believes it inadequate to the needs, until Congress has had opportunity to review its adequacy. The training authorized includes retraining. It also includes the development of new kinds of health personnel to assist in furnishing comprehensive services, and the training of area residents to participate in personal health education and to serve liaison functions and serve as representatives of the community in dealing with health organizations. Grants may be made to test the utility of such personnel, and to assist in their employment before the effective date of health benefits. Education and training are to be carried out through contracts with appropriate institutions and agencies, and suitable stipends to students and trainees are authorized. Physicians will be recruited and trained to serve as hospital medical directors. Finally, special assistance may be given, both to institutions and to students, to meet the additional costs of training persons disadvantaged by poverty, membership in minority groups, or other cause.

(Section 106.) This section authorizes special improvement grants: first, to any public or other nonprofit health agency or institution to establish improved coordination and linkages with other providers of services; and, second, to the organizations described in section 104 to improve their utilization review, budget, statistical, or records and information retrieval systems, to acquire equipment needed for those purposes, or to acquire equipment useful for mass screening or for other diagnostic or therapeutic purposes.

(Section 107.) This section provides that loans under part F are to bear 3 percent interest and to be repayable in not more than 20 years. Other terms and conditions are discretionary with the Board, except for required compliance with the Davis-Bacon Act. Repayment of loans made from general appropriations will go to the general fund of the Treasury; repayment of later loans will revert to the Health Resources Development Account in the Trust Fund.

(Section 108.) This section specifies that payments under part F shall be in addition to, and not in lieu of, payments to providers under part E.

Subpart 2—Programs of Personal Care Services

(Section 111.) The purpose of this subpart is to encourage and assist in the development of community programs of maintaining in their own homes, by means of comprehensive health and personal care services, disabled or chronically ill persons who otherwise require or are likely to require institutional care. It is intended that a grant be made in any community that can develop a satisfactory program and such non-Federal financing as the Board finds appropriate.

(Section 112.) This section authorizes grants to public or nonprofit agencies for this purpose, each program being designed to serve a substantial urban or rural population. Grants may be made for up to four years.

(Section 113.) The services to be provided include, in addition to covered health services, combinations of personal care services (such as homemaker and home maintenance services, laundry, meals-on-wheels and other dietary services, help with transportation and shopping). Different services may be provided in different programs. Full coordination with existing community health or personal care programs is required. Committees are to be established, consisting of professionals and representatives of users of the services, to screen applications for assistance and monitor utilization.

(Section 114.) Grantees must evaluate their programs with respect both to benefits to users of the services and to the fiscal impact on the Health Security system. The Board is also to evaluate each program and summarize its conclusions in its annual reports to Congress.

(Section 115.) Within three years the Board is to report to Congress on this program with an evaluation of its operation. The Board is to submit also its recommendations of methods of developing, as widely and rapidly as practicable, personal care services where they are then lacking, with a view to making such services generally available throughout the United States; its recommendations with respect to the continuing financial support of such programs; and its recommendations on the role of the Health Security program in providing long-term institutional care and in providing personal care services in lieu thereof.

Subpart 3—Availability of Funds

(Section 120.) For the two-year "tooling-up" period, appropriations of $200 and $400 million are authorized for financial assistance. Beginning with the effective date of health benefits, percentages of the Trust Fund expenditures will be earmarked for such assistance (section 63). From that date on, the leverage of these expanding funds will supplement and reinforce the incentives, which are built into the normal operation of the Health Security program, for improvement of the organization and methods of delivery of health services.

Part G—Administration

This part of the bill creates an administrative structure within the Department of Health, Education and Welfare with responsibility for administration of the Health Security program. Program policy will be made by a five-member Board, under the supervision of the Secretary of HEW. The Board will be assisted by a National Health Security Advisory Council which will recommend policy and evaluate operation of the program, and an Executive Director who will serve as Secretary to the Board and chief administrative officer for the program. Administration of the program will be decentralized among the HEW Regional Offices. Regional and local health services advisory councils will advise on all aspects of the program in their regions and local areas. The Board may also appoint such professional or technical committees as necessary.

(Section 121.) This section establishes a five-member full-time Health Security Board serving under the Secretary of Health, Education, and Welfare. Board members will be appointed by the President with the advice and consent of the Senate, for five-year overlapping terms. Not more than three of the five appointees may be members of the same political party. A member who has served two consecutive terms will not be eligible for reappointment until two years after the expiration of his second term. One member of the Board shall serve as chairman at the pleasure of the President.

(Section 122.) This section charges the Secretary of HEW and the Board with responsibility for performing the duties imposed by this title. The Board shall issue regulations with the approval of the Secretary. It is required to engage in the continuous study of operation of the Health Security program; and, with the approval of the Secretary, to make recommendations on legislation and matters of administrative policy, and to report to the Congress annually on administration and operations of the program. The report will include an evaluation of adequacy and quality of services, costs of services and the effectiveness of measures to restrain the costs. The Secretary of HEW is instructed to coordinate the administration of other health-related programs under his jurisdiction with the administration of Health Security, and to include in his annual report to the Congress a report on his discharge of this responsibility.

The Office of Personnel Management is instructed to make every effort to facilitate recruitment and employment, to work in the Health Security Administration, of persons experienced in private health insurance administration and other pertinent fields.

Subsection (g) authorizes the Board to establish fifty positions, carrying salaries in the GS–16 to GS–18 range, in the professional, scientific, and executive service, to meet the need for highly qualified personnel both in research and development activities and in administration. It is expected that about half of these positions would be used for high-level administrative assignments, and the other half for the most responsible professional and scientific work of the Board.

(Section 123.) This section creates the position of an Executive Director, appointed by the Board with the approval of the Secretary. The Executive Director will serve as secretary to the Board and shall perform such duties in administration of the program as the Board assigns to him. The Board is authorized to delegate to the Executive Director or other employees of HEW any of its fuctions or duties except the issuance of regulations and the determination of the availability of funds and their allocations to the regions.

(Section 124.) This section provides that the program will be administered through the regional offices of the Health Security Board. It also directs the Board to establish local health service areas which shall be the same as the health service areas under title XV of the Public Health Service Act, except that with the approval of the Secretary the Board may divide such an area into two or more areas for the purposes of the health security program. These areas are to serve as local administrative units, with a local office in each, and perhaps suboffices. One of the responsibilities of these offices will be to investigate complaints about the administration of the program.

(Section 125.) Subsection (a) establishes a National Health Security Advisory Council, with the Chairman of the Board serving as the Council's Chairman and 20 additional members not in the employ of the Federal Government. A majority of the appointed members will be consumers who are not engaged in providing and have no financial interest in the provision of health services. Members of the Council representing providers of care will be persons who are outstanding in fields related to medical, hospital or other health activities or who are representatives of organizations or professional associations. Members will be appointed to four-year over-lapping terms by the Secretary upon recommendation by the Board.

Subsection (b) authorizes the Advisory Council to appoint professional or technical committees to assist in its functions. The Board will make available to the Council all necessary secretarial and clerical assistance. The Council will meet as frequently as the Board deems necessary, or whenever requested by seven or more members, but not less than four times each year.

Subsection (c) provides that the Advisory Council will advise the Board on matters of general policy in the administration of the program, the formulation of regulations and the allocation of funds for services. The Council is charged with responsibility for studying the operation of the program, and the utilization of services, with a view to recommending changes in administration or in statutory provisions. They are to report annually to the Board on the performance of their functions. The Board, through the Secretary, will transmit the Council's report to the Congress together with a report by the Board on any administrative recommendations of the Council which have not been followed, and a report by the Secretary of his views with respect to any legislative recommendations of the Council.

(Section 126.) To further provide for participation of the community, the Board will appoint an advisory council for each region and local area. Each such Council would have a composition parallel to that of the National Council; and each will have the function of advising the regional or local representative of the Board on all matters relating to the administration of the program.

(Section 127.) The Board is authorized to appoint standing committees to advise on the professional and technical aspects of administration with respect to service, payments, evaluations, etc. These committees will consist of experts drawn from the health professions, medical schools or other health educational institutions, providers of services, etc. The Board is also authorized to appoint temporary committees to advise on special problems. The committees will report to the Board, and copies of their reports are to be made available to the National Advisory Council.

(Section 128.) Subsection (a) requires the Board to consult with appropriate State health and other agencies to assure the coordination of the Health Security program with State and local activities in the fields of environmental health, licensure and inspection, health education, etc.

Subsection (b) requires the Board, whenever possible, to contract with States to survey and certify providers (other than professional practitioners) for participation in the program. This is similar to Medicare except that the Board may establish the qualifications of persons making the inspections.

Subsection (c) authorizes the Board to contract with State agencies to undertake health education activities, supervision of utilization review programs, and programs to improve the quality and coordination of available services in that State.

Subsection (d) requires the Board to reimburse States for the reasonable cost of performing such contract activities and authorizes the Board to pay all or part of the cost of training State inspectors to meet the qualifications established by the Board.

Subsection (e) directs the Board to make inspections if a State is unable or unwilling to do so.

Subsection (f) calls for the publication of the results of the inspections.

(Section 129.) The Board is authorized to provide technical assistance either directly or through contract with a State to skilled nursing home and home health service agencies to supplement the skills of their permanent staff in regard to social services, dietetics, etc.

(Section 130.) Subsection (a) charges the Board with responsibility for informing the public and providers about the administration and operation of the Health Security program. This will include informing the public about entitlement to benefits and the nature, scope, and availability of services. Providers would be informed of the conditions of participation, methods and amounts of compensation, and administrative policies. In support of the program's effort to improve drug therapy, the Board is authorized with the approval of the Secretary, to furnish all professional practitioners with information concerning the safety and efficacy of drugs appearing on either of the approved lists (Section 25) indications for their use and contraindications. Information of this nature is not now always available to practitioners.

Subsection (b) requires the Board to make a continuing study and evaluation of the program, including adequacy, quality and costs of services. Subsection (c) authorizes the Board directly or by contract to make statistical and other studies on a national, regional, or local basis of any aspect of the title, to develop and test incentive systems for improving quality of care, methods of peer review of drug utilization and of other service performances, systems of information retrieval, budget programs, instrumentation for multiphasic screening or patient services, reimbursement systems for drugs, and other studies which it considers would improve the quality of services or administration of the program.

Subsection (d) authorizes the Board to enter into agreements with providers to experiment with alternative methods of reimbursement which offer promises of improving the coordination of services, their quality or accessibility.

(Section 131.) Severe discrepancies exist today between the national need for various kinds of health manpower and the availability of clinical facilities to train such personnel. Certain specialties (such as surgery), in which there is a surplus of manpower, monopolize clinical training facilities to the disadvantage of specialties in short supply (such as family practice), thus perpetuating the imbalance between supply and demand. This section gives the Board authority to bring the availability of clinical training facilities into balance with national or regional manpower needs by issuing training priorities for institutional providers participating in the program.

(Section 132.) This section authorizes the Board to make determinations of who are participating providers of service, determinations of eligibility, of whether services are covered, and the amount to be paid to providers. The Board is granted authority to terminate participation of a provider who is not in compliance with qualifying requirements, agreements, or regulations. But unless the safety of eligible individuals is endangered, the provider shall be entitled to a hearing before the termination becomes effective.

(Section 133.) This section establishes procedures for hearings and for judicial review, similar to those under the Social Security Act.

(Section 134.) This section has one of the bill's most important provisions with respect to achieving improvement in coordination, availability, and quality of services. It greatly strengthens state and local planning agencies and gives the Board authority to curtail inefficient administration of participating institutional providers.

The Board may direct a participating provider (other than an individual practitioner) that, as a condition of participation, the provider add or discontinue one or more covered services. For example, if two hospitals are operating maternity wards at low occupancy rates, the Board may require that one hospital cease to provide such service. A provider may be required to provide services in a new location, enter into arrangements for the transfer of patients and medical records, or establish such other coordination or linkages of covered services as the Board finds appropriate.

In addition, if the Board finds that services furnished by a provider are not necessary to the availability of adequate services under this title and that their continuance is unreasonably costly, or that the services are furnished inefficiently (and that efforts to correct such inefficiency have proved unavailing) the Board may terminate participation of the provider.

No direction shall be issued under this section except upon the recommendation of, or after consultation with, the appropriate state health planning agency. And no direction shall be issued under this section unless the Board finds that it can be practicably carried out by the provider to whom it is addressed. The Board is required to give due notice and to establish and observe appropriate procedures for hearings and appeals, and judicial review is provided.

Part H—Quality of care

This part authorizes the Board, and charges it with the duty, to maintain and enhance the quality of care furnished under the Act. Section 141(a) sets forth this authority and this duty, to be discharged with the advice and assistance of, and in collaboration with, the Commission on the Quality of Health Care created by an amendment of the Public Health Service Act contained in title III of the present bill.

Regulations are to be issued before health security benefits become effective, and thereafter to be upgraded as rapidly as is practicable. Subsection (b) states as the objective the highest quality of care attainable throughout the nation, with exceptions to quality requirements only when necessary to avoid acute shortages of services. Subsection (c) calls for collaboration with the Commission, and stipulates that failure to follow its recommendations shall be submitted to the Secretary and that, unless he directs the Board to adopt the recommended regulations, the reasons for not doing so must be published by the Board.

(Section 142.) The Board is to issue regulations for continuing professional education for physicians, dentists, optometrists, podiatrists. Reports of compliance will be required and, after warning, practitioners may be disciplined for failure to comply.

(Section 143.) Subsection (a) provides that major surgery, and other procedures specified in regulations, are not covered services unless they are performed by a specialist, and (except in emergencies) are, to the extent prescribed in regulations, performed on referral by a physician engaged in general practice. Specialists, according to subsection (b) are those certified by the appropriate national specialty boards, with a five-year period allowed board-eligible physicians to obtain certification, and with a "grandfather" exception for certain physicians practicing when health security benefits go into effect.

Subsection (c) authorizes the Board to require, except in acute emergencies, consultation with an appropriate specialist, as a prerequisite to specified surgical procedures; in such cases subsection (d) enables the Board to require pathology reports and clinical abstracts or discharge reports.

(Section 144.) Subsection (a) requires that practitioners furnishing services on behalf of institutional or other providers meet the same qualifications of independent practitioners. Subsection (b) authorizes the Board to make additional requirements, in the interest of the quality care and of safety of patients, for providers other than professional practitioners. This is like the authority given the Secretary under the Medicare law, but with the notable difference that standards of the Joint Commission on the Accreditation of Hospitals constitute a minimum for Board requirements, rather than a maximum as under Medicare. Exceptions are permitted only, as stated in section 141, to avoid acute shortages of services.

(Section 145.) Although the provisions relating to professional standard review organizations, in the Social Security Act, are repealed by section 405 of the bill, the Board is authorized, on recommendation of the Commission on the Quality of Health Care, to use organizations previously designated by the Secretary for the purposes of monitoring the quality of services. The Board may also use similar organizations approved by it in the future.

(Section 146). In exercising its authority under part H the Board is directed to take into account the findings of the Secretary's Commission on Medical Malpractice, and to seek to reduce the incidence of malpractice and to improve the availability of malpractice insurance.

Part I—Miscellaneous provisions

(Section 161.) This section contains definitions of certain terms used in the title.

(Section 162.) This section creates the offices of Deputy Secretary of Health, Education and Welfare and an Under Secretary for Health and Science in the Department of Health, Education and Welfare, and abolishes the office of Under Secretary of Health, Education and Welfare.

(Section 163.) This section stipulates that the effective date for entitlement for benefits will be October 1, of the second calendar year following enactment.

(Section 164.) Subsection (a) provides that an employer will not be relieved, by the enactment of the Health Security Act, of any existing contractual or other obligation to provide or pay for health services to his present or former employees and their families. An employer whose cost under such a contract, immediately before health security taxes go into effect, exceeds the cost to him of paying those taxes is required by subsection (b) to apply the excess, during the remaining life of the contract, first to the payment of health security taxes on behalf of his employees. If an excess still remains after meeting this obligation, and after an allowance for the cost of any continuing obligation to pay for health services not covered by Health Security, subsection (c) requires the employer to pay the amount of this excess to those employees, former employees, and survivors who are beneficiaries of the pre-existing contract; but by agreement with the employees or their representatives, these funds may be applied to other employee benefits. Computations of the amounts involved are to be made on a per capita basis, as defined in subsection (d).

TITLE II—HEALTH SECURITY TAXES

Part A—Employment taxes

(Section 201.) Effective on January 1 of the second year after enactment, subsections (a) and (b) convert the existing Medicare hospital insurance payroll taxes into Health Security taxes and set the rates at 1 percent on employees and 3.5 percent on employers. Subsection (c) sets the wage base

for the employment tax at 150 percent of the Social Security wage base (or a tax base at present of $34,350). This subsection defines covered employment to include all substantial groups now excluded from social security tax coverage, except that State and local governments are excluded from the tax on employers.

(Section 202.) This section makes a number of conforming and technical amendments. Chief among these are provision for refund of excess taxes collected from an employee, who has held two or more jobs, on wages aggregating in a year more than the amount of the wage base; exclusion of Health Security contributions from agreements with State governments for the social security coverage of State and Municipal employees (since these employees will contribute to Health Security through payroll taxes); and exclusion of Health Security contributions from agreements for the coverage of United State citizens employed by foreign subsidiaries of United States corporations (since these employees will not benefit materially from Health Security in its present form).

(Section 203.) This section excludes from the gross income of employees, for income tax purposes, payment by their employers of part or all of the Health Security taxes on the employees.

(Section 204.) This section spells out the effective dates of the new payroll tax provisions.

Part B—Taxes on self-employment income and unearned income

(Section 211.) Effective at the beginning of the second calendar year after enactment, this section converts the existing Medicare self-employment tax into a Health Security self-employment tax, sets the rate at 2.5 percent, and sets the maximum taxable self-employment income at 150 percent of the Social Security Wage Base.

(Section 212.) Effective on the same date, this section adds a new 2.5 percent Health Security tax on unearned income (unless such income is less than $400 a year), subject to the same maximum on taxable income as is applicable to the employee and self-employment taxes. Taxable unearned income is adjusted gross income up to the stated maximum, minus income already taxed for Health Security purposes (excluding certain items of income (notably social security benefits) specifically excluded from the other taxes and excluding $5,000 in unearned income for persons over age 60.)

(Section 213.) This section makes appropriate changes in nomenclature and in the requirements of tax returns, including reports of estimated tax liability under the new tax on unearned income.

(Section 214.) This section details the specific effective dates of the taxes imposed by this part.

Part C—Income tax deductions for medical care

(Section 221.) This section amends the Internal Revenue Code so that no medical deductions shall be allowed for the cost of medical care which is covered by the Health Security Act on or after the effective date of health security benefits.

TITLE III—COMMISSION ON THE QUALITY OF HEALTH CARE

(Section 302.) This title creates a Commission on the Quality of Health Care in order to improve health care in the United States. The Commission's function is:

To develop methods of measuring health care;

To develop standards for promoting health care of high quality;

To encourage the use of such measurements and standards under the Health Security Act.

(Section 302.) This section adds to the Public Health Service Act a Title XIX, entitled "Commission on the Quality of Health Care."

(Section 1901, Public Health Service Act.) Subsection (a) establishes a Commission on the Quality of Health Care within the Department of Health, Education and Welfare. The Commission will consist of eleven members who are to be appointed by the Secretary after consultation with the Health Security Board.

Subsection (b) describes the requirements for the membership of the Commission. Seven of the members appointed must be representatives of health providers or representatives of non-governmental organizations that are engaged in the process of developing standards relating to the quality of health care. Four members must be representatives of consumers who are not engaged in and have no financial interest in the delivery of health care services. Commission members will be appointed for five year overlapping terms. Subsection (c) requires the Secretary to designate the Chairman of the Commission, who serves at the pleasure of the Secretary. Subsection (d) authorizes the Commission to employ needed personnel and appoint advisory committees. It also stipulates the conditions of employment and rates and terms of compensation.

(Section 1902, Public Health Service Act.) Subsection (a) defines the primary responsibilities of the Commission. The Commission is directed to initiate and continuously develop methods to assess the quality of health care delivery and use of such assessments to maintain and improve the quality of health care delivery under the Act. The Commission is required to submit its findings and recommendations to the Secretary and the Health Security Board.

Specifically, the Commission is required to:

(1) collect data on a systematic and nationwide basis on the (A) qualifications of health personnel and the adequacy and ability of health care facilities to provide quality health care; (B) the patterns of health care practices in actual episodes of care; (C) the utilization patterns for components of the health care system; and (D) the health of patients during and at the end of actual episodes of care and the relationship of the various factors outlined above to the health of such patients;

(2) use the data it collects to develop statistical norms and ranges to describe the factors outlined in paragraph (1). Such norms and ranges may be developed on a national or regional basis, for particular population groups, or on any other basis.

(3) use such statistical norms and ranges as a basis for developing standards (and acceptable deviation from such standards) that will be useful in measuring, controlling, and improving the quality of health care; and

(4) make recommendations to the Secretary and the Health Security Board on the proper use of these standards. Such recommendations may also be used by the Secretary or the Board when developing proposals to amend the Health Security Act.

When carrying out its duties under the provisions of this subsection, the Commission is directed to give first priority to the quality of care delivered for those illnesses or conditions which have high incidence of occurrence within the population and which are responsive to medical or other treatment.

Subsection (b) requires the Commission to conduct a broad health care research program. Specifically, the objectives of the program are to:

(1) improve technologies for assessing health care quality;

(2) compare the quality of health care under alternative health delivery systems and methods of payment;

(3) analyze the effects of consumer health education and preventive health services.

(4) continue the studies made by the Secretary's Commission on Medical Malpractice. In this respect, the Commission is also required to evaluate any of the recommendations of the Secretary's Commission which the Health Security Board has put into effect or any other measures that the Board has established, which pertain to the incidence of malpractice, malpractice insurance, or malpractice claims;

(5) obtain other information that will be useful in order to accomplish the purposes of this new title of the Public Health Service Act and title I, part H, of the Health Security Act (concerning the maintenance and improvement of the quality of health care delivered under the Health Security Act).

Subsection (c) authorizes the Commission to provide technical assistance to enable providers to furnish the Board with information required by it for purposes of the Commission. The Commission is also authorized to provide technical assistance to providers who are developing and carrying out quality control programs.

(Section 1903, Public Health Service Act.) This section directs the Commission, even before it has developed standards under the preceding provisions, to give advice and recommendations to the Health Security Board concerning quality health care regulations.

(Section 1904, Public Health Service Act.) This section authorizes the Secretary to establish twenty-five positions on the staff of the Commission, carrying salaries in the GS–16 to GS–18 range, in the professional, scientific, and executive service, to meet the needs for highly qualified personnel in the research and development activities of the Commission.

TITLE IV—REPEAL OR AMENDMENT OF OTHER ACTS

(Section 401.) This section repeals the Medicare and Federal Employee Health Benefit statutes on the date Health Security benefits become effective, but stipulates that this shall not affect any right or obligation incurred prior to that date.

(Section 402.) This section requires that after the effective date of benefits, no State shall be required to furnish any service covered under Health Security as a part of its State plan under Medicaid, and that the Federal government will have no responsibility to reimburse any State for the cost of providing a service which is covered under Health Security. After the effective date of benefits, the Secretary of HEW shall prescribe the new minimum scope of services required for State participation in Medicaid. To the extent the Secretary finds practicable, the new minimum benefits will be designed to supplement Health Security—especially with respect to skilled nursing home services, dental services and the furnishing of drugs.

(Section 403.) This section provides that funds available under the Vocational Rehabilitation Act or the Maternal and Child Health title of the Social Security Act shall not be used to pay for personal health services after the effective date of benefits, except to pay for services which are more extensive than those covered under Health Security.

(Section 404.) This section makes applicable to Health Security the provisions in the Social Security Act requiring reduction in reimbursement for care in facilities which have made substantial capital expenditures found by a State planning agency to be inconsistent with standards developed pursuant to the Public Health Service Act. Because the provision will continue to apply to the residual programs under titles V and XIX of the Social Security Act, the reductions will continue to be determined by the

Secretary and his determinations are made binding on the board, as provided in section 89 of the bill.

(Section 405.) This section repeals the provisions in the Social Security Act relating to professional standards review organizations. Section 145 of the bill permits the use of such organizations already designated by the Secretary, and approved by the Board and use of similar organizations in the future.

(Section 406.) Subsection (a) amends section 1817 of the Social Security Act, creating the Federal Hospital Insurance Trust Fund, and transfers it to become section 61 of the Health Security Act under the title "Health Security Trust Fund". Subsection (b) extends to the Health Security system the provisions of section 201(g) of the Social Security Act, authorizing annual Congressional determination of amounts to be available from the respective trust funds for the administration of the several national systems of social insurance. Subsections (c) and (d) contain conforming and technical provisions.

(Section 407.) This section makes a number of changes in title XV of the Public Health Service Act, National Health Planning and Resources Development Act. Under subsection (a), the DHEW Under Secretary for health and science replaces the Assistant Secretary on the National Council on Health Planning and Development, and the Chairman of the Health Security Board is added to the Council. Subsection (b) strikes out a requirement of coordination with Professional Standards Review Organizations, in view of the repeal of the PSRO provisions of the Social Security Act. Review and approval or disapproval of Federal grants and contracts by health systems agencies (subject to final decision by the Secretary) is extended by subsection (c), to include Health Security Board grants and contracts under Part F of title I. Finally, section 1526 providing for grants for State demonstrations in rate regulation is repealed, since the Health Security Board will be fixing the amount of payments to participating providers of services.

(Section 408.) This section establishes the salary levels for the Deputy Secretary and the Under Secretary for Health and Science, Department of Health, Education, and Welfare, the Chairman of the Health Security Board, members of the Health Security Board and members of the Commission on the Quality of Health Care, and the Executive Director of the Health Security Board.

(Section 409.) This section removes the operations of the Health Security Trust Fund from the administrative budget of the United States, and directs that these operations be reported and projected in a separate statement, as was done with the Social Security trust funds until recently. The Government contribution to be shown as an expenditure in the administrative budget.

TITLE V—STUDIES RELATED TO HEALTH SECURITY

(Section 501.) This section directs the Secretary of Health, Education and Welfare in consultation with the Secretary of State and the Secretary of the Treasury to study the coverage of health services for United States residents in other countries.

(Section 502.) Subsection (a) directs the Secretary of HEW to study means of coordinating the federal health care programs for merchant seamen, and for Indians and Alaskan natives, with the Health Security benefits program. The Secretary and the Administrator of Veterans' Affairs shall conduct a similar study of the means of coordinating veterans health care programs with the Health Security benefits program. A joint study is to be conducted, with the Secretary of Defense, relating to the program of care, in civilian facilities, of the dependents of military personnel. Reports to the Congress and any legislative recommendations arising from the studies are required within three years after the enactment of the Health Security Act.

Subsection (b) requires the respective Secretaries and the Administrator to consult with representatives of the affected beneficiary groups, and to include a summary of their views in the reports to Congress.

With respect to the joint study to determine the most effective method of coordinating the Veterans' Administration Health Program with the Health Security program established under this bill, it is important to understand that there is no intention to require the integration of the VA program into the Health Security Program. Rather, the section recognizes that any national health security or health insurance program would be so pervasive as to require other federal health programs such as those of the Veterans' Administration to be effectively coordinated with them. Through such coordination, needless duplication and expenditures can be avoided.

(Section 503.) This section authorizes the appropriation of money needed for conducting the studies authorized in this title, and the use of experts and consultants and advisory committees, and of contracts for the collection of information or the conduct of research.●

□ 1610

GENERAL LEAVE

Mr. HANCE. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from Arizona (Mr. UDALL).

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

There was no objection.

THE IMPORTANCE OF PANAMA CANAL TREATY IMPLEMENTING LEGISLATION

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

Mr. MURPHY of New York. Mr. Speaker, one of the major legislative matters to be considered in the first session of the 96th Congress will be the implementation of the Panama Canal treaty arrangement approved by the Senate in 1978. After extensive debate on the canal issue, the Senate approved the treaty concerning the permanent neutrality and operation of the Panama Canal on March 16 and then the Panama Canal Treaty on April 18, 1978. Instruments of treaty ratification were exchanged on June 16, 1978 but the legally effective date of the exchange is March 31, 1979 as a result of the Brooke reservation. Thus, the new canal treaty arrangement is scheduled to enter into force on October 1, 1979.

The operating authority of the Panama Canal under the new treaty arrangement will be a U.S. Government agency called the Panama Canal Commission. The specifics of that commission, as well as a myriad number of other related matters, have been committed to the United States by the Panama Canal Treaty and thus will be the subjects of the treaty implementing legislation.

The executive branch has fashioned a legislative proposal for implementing the treaties. Drafts of the proposal have been available for some time and the final proposal has not yet been submitted to the Congress.

I am introducing today an alternative proposal for implementing the new canal treaty arrangement. The alternative proposal will, alongside the executive's, stimulate discussion and make available to the concerned committees viable options in the canal matter.

The overall aim of the proposal which I am introducing is the same as that of the executive proposal—to fulfill our new treaty responsibilities with Panama while protecting U.S. interests in the canal for the next generation.

The proposal I present today was conceived after thorough study of the treaties, present and past law respecting the Panama Canal and Canal Zone, and the requirements for operation and maintenance of the canal in the years ahead. While I am confident of the value of the provisions in this proposal, I offer them not as any panacea but rather as an alternative for equal consideration by all concerned. Based on the hearings and studies of this bill along with the proposal to be submitted by the executive branch in the next few months, it is anticipated that the best possible legislation will emerge.

Whatever the terms of the legislation ultimately adopted, it is important to realize that implementing legislation must be treated expeditiously. If this legislation can be enacted in late spring or early summer, the Panama Canal Commission can be properly constructed. Without any implementing legislation at the time the new treaty arrangement enters into force, the interests of the United States on the Isthmus of Panama may be considerably impaired.

I want to take just a few moments to review with my colleagues some of the major features of the bill I am introducing today providing for the maintenance and operation of the canal under the 1977 treaty. The principle distinguishing features of the bill are:

First. The provision for operation of the canal by a noncorporate agency instead of continuing the Panama Canal company under another name;

Second. The return to the requirement that revenues of the canal be paid into the Treasury and that expenditures be made pursuant to annual appropriations;

Third. The centralization of administrative authority and responsibility in the Secretary of Defense; and

Fourth. Provision for Presidential appointment and Senate confirmation of the key officials of the agency and members of the various policymaking bodies provided for by the treaty, such as the supervisory board, the consultative committee and the committee on the environment.

The provisions for a noncorporate agency subject to the financial controls applicable to the Government agencies has several subsidiary effects of importance in maintaining close congressional oversight over the canal operations, a

matter that will assume increasing importance with the passage of time. Under my proposal, the accounts of the Panama Canal Company are to be established in accordance with the policies and procedures prescribed by the Comptroller General to reflect all costs of operation of the canal and related facilities.

This arrangement makes possible the elimination of fiscal provisions now included in title 2 of the Canal Zone code which were devised for the special financial structure of the Panama Railroad Company and which are unnecessary and inappropriate under the arrangement applicable to noncorporate agencies that pay their revenues into the Treasury and make expenditures authorized by appropriations. This arrangement also makes irrelevant the issue whether the agency should be required to pay into the Treasury interest on the Government's investment and amounts necessary to amortize that investment, inasmuch as all revenues of the canal are paid into the Treasury and expenditures are made from appropriations after regular congressional scrutiny. This point assumes special importance in view of the probability that tolls for use of the canal cannot be increased to cover all costs of operation of the canal over the period of U.S. control provided by the treaty.

The feasibility of operation of the canal with the organizational features incorporated in the bill I propose has been demonstrated by the successful operation of the canal under that arrangement for the 37-year period from completion of the canal until 1951.

The section-by-section analysis of the bill shows the source of the various provisions and indicates their relationship to the organization provisions of title 2 of the Canal Zone code before and after the 1950 amendments, as well as those of the draft prepared in the executive branch.

Because of the complexity of the bill and the extremely limited time that will be available for action by the Congress, I include copies of my bill and of the section-by-section analysis to be printed in the RECORD at this point:

H.R. —

A bill to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Panama Canal Act of 1979".

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SEC. 2. PURPOSE OF ACT.—It is the purpose of this Act to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States set forth in the Panama Canal Treaty between the United States of America and the Republic of Panama signed on September 7, 1977 (hereinafter in this Act referred to as the "Panama Canal Treaty of 1977") and the agreements relating to that treaty signed on the same date (hereinafter in this Act referred to as the "related agreements").

SEC. 3. APPLICABLE LAWS.—

(a) Except as otherwise provided in this Act, the provisions of the Canal Zone Code (and regulations issued pursuant to such Code), and other laws applicable in the Canal Zone (and regulations issued pursuant to such laws) before the date on which the Panama Canal Treaty of 1977 enters into force, by virtue of the territorial jurisdiction of the United States in the Canal Zone, shall continue in force on or after such date only for the purpose of the exercise of the authority vested in the United States by such Treaty and related agreements.

(b) No provision of law or regulation referred to in subsection (a) shall be construed as regulating, or providing authority to regulate, any matter as to which the United States may not exercise jurisdiction under the Panama Canal agreements.

(c)(1) Subject to the provisions of paragraph (2) of this subsection, the following terms appearing in those laws and regulations continued in effect by subsection (a) of this section shall, in the application of such laws and regulations to transactions, occurrences, or status on or after the effective date of this Act, be deemed to refer to the following:

(A) "Canal Zone" shall be deemed to refer to areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

(B) "Canal Zone waters" and "waters of the Canal Zone" shall be deemed to refer to "Panama Canal waters" and "waters of the Panama Canal", respectively.

(C) "Government of the Canal Zone" or "Canal Zone Government", shall be deemed to refer to the United States of America.

(D) "Governor of the Canal Zone" or "Governor", wherever the reference is to the Governor of the Canal Zone, shall be deemed to refer to the Panama Canal Commission.

(E) "Panama Canal Company" or "Company", wherever the reference is to the Panama Canal Company, shall be deemed to refer to the Panama Canal Commission.

(F) In chapter 57 of title 5 of the Canal Zone Code, "hospitals" and "Health Bureau" shall be deemed to refer, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date of this Act, and to the organizational unit operating such hospitals.

(G) In chapter 57 of title 5 of the Canal Zone Code, and in section 4784 of title 6 of such Code, "health director" shall be deemed to refer to the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date of this Act.

(2) Any reference set forth in paragraph (1) of this subsection shall apply except as otherwise provided in this Act or unless (A) such reference is inconsistent with the provisions of this Act, (B) in the context in which a term is used such reference is clearly not intended, or (C) a term refers to a time before the effective date of this Act.

TITLE I—ADMINISTRATION AND REGULATIONS

PART 1—ADMINISTRATION

Chapter 1.—PANAMA CANAL COMMISSION

SEC. 101. PANAMA CANAL COMMISSION.—There is established as an agency and instrumentality of the United States the Panama Canal Commission. The Commission shall, under the general supervision of the Board established by section 102 of this Act, and subject to the direction of the Secretary of Defense, be responsible for the maintenance and operation of the Panama Canal and the facilities and appurtenances related thereto.

SEC. 102. SUPERVISORY BOARD.—

(a) The Panama Canal Commission shall be supervised by a Board which shall act under the direction of the Secretary of Defense. The Board shall be composed of nine members, one of whom shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary. Not less than five members of the Board shall be nationals of the United States and the remaining members shall be nationals of the Republic of Panama. No member of the Board other than the Secretary of Defense or his designee shall hold any other office in or be employed by the Government of the United States or of the Republic of Panama.

(b) The President shall appoint the members of the Board, by and with the advice and consent of the Senate. Each member of the Board so appointed shall hold office at the pleasure of the President, and, before assuming the duties of such office, shall take an oath faithfully to discharge the duties of his office. Members of the Board shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c) The Board shall hold meetings as provided in regulations adopted by the Panama Canal Commission and approved by the Secretary of Defense. A quorum for the transaction of business shall consist of a majority of the Board members of which a majority of those present are nationals of the United States.

SEC. 103. ADMINISTRATOR.—

(a) The Administrator of the Panama Canal Commission shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President.

(b) The Administrator shall be paid compensation at the rate established for positions described in section 5316 of title 5 of the United States Code.

SEC. 104. DEPUTY ADMINISTRATOR AND CHIEF ENGINEER.—

(a) There shall be a Deputy Administrator and a Chief Engineer of the Panama Canal Commission, both of whom shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator and the Chief Engineer shall perform such duties as may be prescribed by the President.

(b) The Deputy Administrator and the Chief Engineer shall each be paid compensation at a rate of pay established by the President which does not exceed the rate of basic pay in effect for grade 18 of the General Schedule under section 5332 of tile 5 of the United States Code.

SEC. 105.—CONSULTATIVE COMMITTEE.—

(a) There is established a Panama Canal Consultative Committee to advise the United States Government and the Government of Panama on matters of policy affecting the operation of the Panama Canal. The Consultative Committee shall be composed of five representatives of the United States and five representatives of the Republic of Panama.

(b) Members of the Committee representing the United States shall be appointed as follows:

(1) Two members shall be appointed by the President pro tempore of the Senate.

(2) Two members shall be appointed by the Speaker of the House of Representatives.

(3) One member shall be appointed by the President. The two members of the Committee appointed by the President pro tempore of the Senate and by the Speaker of House of Representatives, respectively, shall not be members of the same political party. Members of the Committee representing the Republic of Panama shall be appointed by the President upon recommendations of the Government of Panama. Members of the Committee shall serve at the pleasure of the appointing officer. Members of the Committee shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c)(1) The Consultative Committee shall submit in writing to the President any action it proposes with respect to any change in the maintenance, operation, or management of the Panama Canal. The President shall transmit such proposal, with his comments thereon, to each House of Congress. Such proposal shall be delivered to the Secretary of the Senate, if the Senate is not in session, and to the Clerk of the House of Representatives, if the House is not in session. Except as provided in paragraph (2) of this subsection, such proposed action may not be taken if, within 90 calendar days of continuous session of Congress after the date on which the proposal is transmitted to the Congress, either House of Congress adopts a resolution, the matter after the resolving clause of which is as follows: "That the —— disapproves the proposed action dealing with the matter —— which was transmitted to Congress on ——", the blank spaces therein being appropriately filled.

(2) If, at the end of 60 calendar days of continuous session of Congress after the date the proposed action of the Consultative Committee is transmitted to the Congress, no committee of either House of Congress has reported or been discharged from further consideration of a resolution disapproving the proposed action and neither House has adopted such a resolution, the proposed action may be taken immediately.

(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the proposed action.

(4) For purposes of this subsection—

(A) continuity of session shall be broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment or more than 3 days to a day certain shall be excluded in the computation of the 60 and 90 calendar day periods.

SEC. 106. JOINT COMMISSION ON THE ENVIRONMENT

(a) The President may establish a Joint Commission on the Environment to be composed of not more than three representatives of the United States and three representatives of the Republic of Panama. The Joint Commission shall periodically review the implementation of the Panama Canal Treaty of 1977 with respect to its impact on the environment, and shall make recommendations to the United States Government and the Government of Panama with respect to ways

to avoid or mitigate adverse environmental impacts resulting from actions taken pursuant to such Treaty.

(b) Representatives of the United States on the Joint Commission on the Environment shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. Members of the Commission shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

SEC. 107. TRAVEL EXPENSES.—While away from their homes, regular places of business, or official stations in performance of services under this chapter, members of the Supervisory Board, and the representatives of the United States on the Panama Canal Consultative Committee and on th Joint Commission on the Environment shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 (b) of title 5 of the United States Code.

SEC. 108. CONTROL BY ARMED FORCES IN TIME OF WAR.—In time of war in which the United States is engaged, or when, in the opinion of the President, war is imminent, such officer of the Armed Forces as the President may designate shall, upon the order of the President, assume and have exclusive authority and jurisdiction over the operation of the Panama Canal and all its adjuncts, appendants, and appurtenances. During a continuation of this condition, the Commission shall be subject to the order and direction of the officer so designated, in all respects and particulars as to—

(1) the operation of the Canal; and

(2) all duties, matters, and transactions affecting the areas and installations made available to the United States by the Panama Canal Treaty of 1977 and related agreements.

SEC. 109.—AUTHORITY OF THE AMBASSADOR.—

(a) The Ambassador of the United States to the Republic of Panama shall coordinate with the Republic of Panama the transfer to the Republic of Panama of those functions to be assumed by the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) The Panama Canal Commission shall not be subject to the direction or supervision of the Ambassador of the United States to the Republic of Panama, but the Commission shall keep the Ambassador fully and currently informed with respect to all activities and operations of the officers and employees of the Commission.

Chapter 3.—EMPLOYEES

Subchapter I.—Panama Canal Commission Personnel

SEC. 120. APPOINTMENT AND COMPENSATION; DUTIES.—

(a) Except as provided by sections 103 and 104 of this Act, and in accordance with subchapter II of this chapter—

(1) the Panama Canal Commission may appoint, fix the compensation of, and define the authority and duties of, officers, agents, attorneys and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, equipment, and the conduct of operations incident thereto; and

(2) individuals so appointed shall be employed and shall serve under such conditions of employment, including matters relating to transportation, medical care, quarters, leave and computation thereof, and work hours, as shall be prescribed by the President.

(b) Officers and employees in other departments and agencies of the Government of the United States, including officers and other individuals in the armed forces, as defined in section 2101(2) of title 5, United States Code, may, if appointed under this section or under sections 103 or 104 of this Act, serve as officers or employees of the Commission.

SEC. 121. TRANSFER OF FEDERAL EMPLOYEES.—The head of any department or agency of the Government of the United States, including the United States Postal Service, is authorized to enter into agreements for the transfer or detail to the Panama Canal Commission of any permanent employee of the agency. Under regulations which shall be prescribed by the Office of Personnel Management, any employee who is so transferred or so detailed shall, upon completion of his tour of duty with the Commission, be entitled to reemployment with the agency from which he was transferred or detailed without loss of pay, seniority, or other rights or benefits to which he would have been entitled had he not been so transferred or so detailed.

SEC. 122. COMPENSATION OF INDIVIDUAL IN THE UNIFORMED SERVICES.—(a) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Panama Canal Commission is in the uniformed services, as defined in section 2101(3) of title 5, United States Code, the amount of the official salary paid to him as an officer in the uniformed services shall be deducted from the amount of salary or compensation which is fixed by or pursuant to law for those respective offices.

(b) Except as provided in subsection (a) of this section, individuals appointed to or employed in positions in the Panama Canal Commission who are under assignment for those purposes by such a uniformed service shall not be paid by the Panama Canal Commission any amount in excess of their pay from the uniformed service for the period of that service.

(c) The Panama Canal Commission shall annually pay to the such uniformed services amounts sufficient to reimburse each of those services for the official salary paid to any individual in their service for the period of appointment or employment by the Commission.

SEC. 123. DEDUCTION FROM COMPENSATION OF AMOUNTS DUE FOR SUPPLIES OR SERVICES.—Amounts due from officers and employees, whether to the Panama Canal Commission or contractor, for transportation, board, supplies, or any other service, may be deducted from the compensation otherwise payable to them, and may be paid to the authorized parties or credited to the appropriation out of which the transportation, board, supplies, or other service was originally paid.

SEC. 124.—COST OF LIVING ALLOWANCE.—Each officer or employee of the Panama Canal Commission shall be paid an allowance to offset the increased cost of living which may result from the withdrawal of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges five years after the date on which the Panama Canal Treaty of 1977 enters into force. The amount of the allowance shall be determined by the Commission.

SEC. 125. EDUCATIONAL TRAVEL BENEFITS.—The Panama Canal Commission may provide by regulation for round trip transportation between the Republic of Panama and the United States for undergraduate college education in the United States by dependents of employees of the Commission who are citizens of the United States. The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any one-year period.

SEC. 126. PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES.—The Secretary of Defense shall designate those officers and employees of the Panama Canal Commission and other individuals entitled to the privileges and immunities accorded under paragraph (3) of article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

SEC. 127. INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NON-CITIZENS.—

(a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title, relating to civil service retirement, chapter 87 of such title, relating to life insurance, and chapter 89 of such title, relating to health insurance, are inapplicable to individuals who are not citizens of the United States, who are hired by the Panama Canal Commission after the effective date of this Act, and who are covered by the Social Security of the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) Section 8701(a)(B) of title 5, United States Code, is amended to read as follows:

"(B) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such individual was an employee for the purpose of this chapter on the day before the effective date of the Panama Canal Act of 1979 by virtue of service with a Federal agency in the Canal Zone.".

(c) Section 8901(1)(ii) of title 5, United States Code, is amended to read as follows:

"(ii) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such individual was an employee for the purpose of this chapter on the day before the effective date of the Panama Canal Act of 1979 by virtue of service with a Federal agency in the Canal Zone.".

Subchapter II—Wage and Employment Practices

SEC. 141. DEFINITIONS.—As used in this subchapter:

(1) "department" means—

(A) the Panama Canal Commission; and

(B) an Executive agency (as defined in section 105 of title 5, United States Code) which makes an election under section 142 (b) of this Act;

(2) "position" means those duties and responsibilities of a civilian nature under the jurisdiction of a department which are performed in the Republic of Panama;

(3) "employee" means an individual holding a position; and

(4) "continental United States" means the several States of the United States of America and the District of Columbia.

SEC. 142. APPLICABILITY OF THE PANAMA CANAL EMPLOYMENT SYSTEM.—

(a) The Panama Canal Commission shall conduct its wage and employment practices in accordance with—

(1) the principles established in the Panama Canal Treaty of 1977 and related agreements and the provisions of this chapter and other applicable law; and

(2) the Panama Canal Employment System and the regulations promulgated by,

and under the authority of, the President in accordance with this chapter.

(b) The head of an executive agency other than the Panama Canal Commission may elect in whole or in part to have the Panama Canal Employment System made applicable to personnel of his agency in the Republic of Panama.

(c) To the extent he deems appropriate, the President may—

(1) exclude any employee or position from this subchapter or from any provision of this subchapter; and

(2) extend to any employee, whether or not the employee is a citizen of the United States, the same rights and privileges as are provided by applicable laws and regulations for citizens of the United States employed in the competitive civil service of the Government of the United States.

SEC. 143.—EMPLOYMENT STANDARDS.—The head of each department shall establish written standards for—

(1) the determination of the qualifications and fitness of employees and of individuals under consideration for appointment to positions; and

(2) selection of individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, the regulations referred to in section 155(a) of this Act, and the Panama Canal Employment System.

SEC. 144.—INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM

Notwithstanding any other provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System together with the regulations prescribed thereunder shall continue in effect until such time as the Panama Canal Employment System is established pursuant to section 149 of this Act.

SEC. 145. COMPENSATION.—

(a) The head of each department, in accordance with this subchapter, shall establish, and from time to time may revise, the rates of basic compensation for positions and employees under his jurisdiction.

(b) The rates of basic compensation may be established and revised in relation to the rates of compensation for the same or similar work performed in the continental United States or in such areas outside the continental United States as may be designated in the regulations referred to in section 155 of this Act.

(c) The head of each department may grant increases in rates of basic compensation in amounts not to exceed the amounts of the increases granted, from time to time, by or under statute in corresponding rates of compensation in the appropriate schedule or scale of pay. The head of the department concerned may make the increases effective as of such date as he designates but not earlier than the effective date of the corresponding increases provided by or under the statute.

SEC. 146.—UNIFORM APPLICATION OF STANDARDS AND RATES.—The established employment standards and rates of basic compensation established pursuant to sections 143 and 145 of this title shall be applied uniformly, irrespective of whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

SEC. 147. RECRUITMENT AND RETENTION REMUNERATION.—

(a) In addition to basic compensation, additional compensation may be paid, in such amounts as the head of the department concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) was employed before the effective date of this Act by the Panama Canal Company, the Canal Zone Government, or any department in the Canal Zone;

(2) is an employee who was recruited outside of the Republic of Panama for placement in his position; or

(3) is a medical doctor employed by the Department of Defense or the Panama Canal Commission if, in the judgment of the head of the department concerned, the recruitment and retention of the medical doctor is essential.

(b) Any employee described in more than one paragraph of subsection (a) of this section may qualify for a recruitment or retention differential under only one of such paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic compensation for the same or similar work performed in the continental United States by individuals employed by the Government of the United States.

(d)(1) Section 5921 of title 5, United States Code, is amended—

(A) in paragraph (3), by striking out "President;" and inserting in lieu thereof "President, but does not include an employee assigned to work in the Republic of Panama for the Panama Canal Commission or an Executive agency which makes an election under section 142(b) of the Panama Canal Act of 1979;"; and

(B) in paragraph (6), by striking out "the Canal Zone,".

(2) Section 5925 of title 5, United States Code, is amended by inserting "to an employee" after "granted" the first place it appears.

SEC. 148. BENEFITS BASED ON COMPENSATION.—For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium compensation;

(5) annual leave benefits; and

(6) any other benefits related to basic compensation; the basic compensation of each employee who is a citizen of the United States shall include the rate of basic compensation established for his position plus the amount of any increase in basic compensation or allowance provided under section 145 or 147 of this Act.

SEC. 149. MERIT AND OTHER EMPLOYMENT REQUIREMENTS.—(a) Subject to this subchapter, and taking into account any recommendation of the Panama Canal Commission, the President—

(1) shall establish the Panama Canal Employment System; and

(2) may, from time to time, amend or modify the provisions of the System, including provisions relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and individuals under consideration for appointment to positions.

(b) The Panama Canal Employment System shall—

(1) be subject to and as limited by the Panama Canal Treaty of 1977 and related agreements, be based on the merit of the employee or individual and upon his qualifications and fitness to hold the position concerned;

(2) conform generally to policies, principles, and standards for the competitive service (as defined in section 2101 of title 5, United States Code); and

(3) include provision for appropriate interchange between the Panama Canal Employment System and such competitive service.

SEC. 150.—SALARY PROTECTION UPON CONVERSION OF COMPENSATION BASE.—Whenever the rate of basic compensation of an employee heretofore or hereafter established in relation to rates of compensation for the same or similar work in the continental United States is converted under authority of section 145 of this Act to a rate of basic compensation established in relation to rates in areas other than the continental United States in the manner provided by section 145(b) of this Act, he shall, pending transfer to a position for which the rate of basic compensation is established in relation to rates of compensation in the continental United States in the manner provided by section 145(b) of this Act, and as long as he remains in the same position or in a position of equal or higher grade, continue to receive a rate of basic compensation not less than that to which he was entitled immediately prior to the conversion.

SEC. 151. REVIEW AND ADJUSTMENT OF CLASSIFICATIONS, GRADES, AND PAY LEVEL.—An employee may request at any time that the department in which he is employed—

(1) review the classification of his position or the grade or pay level for his position, or both; and

(2) revise or adjust such classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedure of the department.

SEC. 152. SAME; PANAMA CANAL BOARD OF APPEALS; DUTIES.—

(a) There shall be, in conformity with this subchapter, and as prescribed by regulation promulgated by the President or his designee, a Panama Canal Board of Appeals. The regulations shall provide for, in accordance with this subchapter, the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 153 of this Act. The decisions of the Board shall conform to the provisions of this subchapter.

SEC. 153. SAME; APPEALS TO BOARD; PROCEDURE; FINALITY OF DECISIONS.—

(a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made under section 151 of this Act. The appeal shall be made in writing within a reasonable time, as prescribed in regulations prescribed by, or under the authority of, the President, after the date of the transmittal by the department to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a) of this section, a personal appearance before the Board by the employee, or by his representative designated for the purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the department concerned; and

(3) transmit copies of the decision to the employee concerned or to his designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The department concerned shall take action in accordance with the decision of the Board.

SEC. 155. ADMINISTRATION BY THE PRESIDENT.—

(a) The President shall prescribe regulations necessary and appropriate to carry out

the provisions of this subchapter and, in the case of any Executive agency which makes an election under section 142(b) of this Act, coordinate the policies and activities under this subchapter of the agency.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

(1) carrying out his coordination responsibility under subsection (a) of this section; and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in him by this subchapter.

SEC. 156.—APPLICABILITY OF OTHER LAWS.— This subchapter does not affect the applicability of—

(1) the provisions of sections 1302, 2108, 3305, 3306, 3309–3319, 3351, 3363, 3501–3504, 7511, 7512, and 7701 of title 5, United States Code, relating to preference eligibles, with respect to individuals who were preference eligibles on the date of the enactment of this Act;

(2) section 7501 of title 5, United States Code, relating to removal or suspension from the competitive service, with respect to individuals who were in the competitive service on the date of the enactment of this Act; and

(3) subsection (a) of section 5544 of title 5, United States Code, relating to wage-board rates and overtime, with respect to individuals who were subject to such subsection on the date of the enactment of this Act.

Subchapter III—Conditions of Employment and Placement

SEC. 202. TRANSFERRED EMPLOYEES.—

(a)(1) With respect to employees of the Panama Canal Company or the Canal Zone Government who are transferred to employment in the Republic of Panama with the Panama Canal Commission or any other agency of the Government of the United States, the terms and conditions of employment set forth in paragraph (2) of this subsection shall be generally no less favorable, on or after the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government immediately before such date.

(2) The terms and conditions of employment referred to in paragraph (1) of this section are the following:

(A) wage rates;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatement and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel, except as modified to provide equity with other employees within the agency to which the employee is transferred;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction in force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severence pay benefits.

(3) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) is amended by adding at the end thereof the following new sentence: "This section does not apply with respect to teachers who were employed by the Canal Zone Government school system immediately before the effective date of the Panama Canal Act of 1979 and who were transferred to a teaching position.".

(2) Section 6(a) of such Act (20 U.S.C. 904(a)) is amended by adding at the end thereof the following: "This section does not apply with respect to teachers who were employed by the Canal Zone Government school system immediately before the effective date of the Panama Canal Act of 1979 and who were transferred to a teaching position.".

(c) Sections 5595(a)(2)(iii), 5724a(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof the following: "areas in the Republic of Panama used or regulated by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements".

SEC. 203.—PLACEMENT.—

(a) A citizen of the United States—

(1) who, immediately before the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date during the life of the Panama Canal Treaty of 1977 for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate placement to vacancies with the United States Government in the United States.

(b) A citizen of the United States—

(1) who, immediately before the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, was an employee of an agency of the Government of the United States in the Canal Zone other than the Panama Canal Company or the Canal Zone Government;

(2) whose position is eliminated as the result of implementing the Panama Canal Treaty of 1977; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded the placement assistance provided in subsection (a) of this section.

(c) The Office of Personnel Management shall establish and administer a Federal Government-wide placement program for all eligible employees who request appointment to positions under this subsection.

(d) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter IV—Retirement

SEC. 205.—EARLY RETIREMENT ELIGIBILITY.—

(a) Section 8336 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) is subsection (c)(1); and

(2) by adding at the end of subsection (c) the following new paragraph:

"(2) A law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who—

"(A) is separated from the service before January 1, 2000, and, upon separation, meets the age and service requirements specified in paragraph (1) of this subsection; or

"(B) is separated not more than two years before the date or which he would meet such age and service requirements but for such separation; is entitled to an annuity.".

(b) Section 8336 of title 5, United States Code, is further amended—

(1) by redesignating subsection (h) as subsection (k); and

(2) inserting after subsection (g) the following new subsections:

"(h)(1) An employee of the Panama Canal Commission or of an executive agency conducting operations in the Canal Zone or the Republic of Panama to whom this subsection applies and who is separated from the service before January 1, 2000—

"(A) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, after completing 20 years of service;

"(B) voluntarily, after completing 25 years of service or after becoming age 50 and completing 20 years of service; or

"(C) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, or voluntarily, not more than two years before he would have met the age and service requirements specified in subparagraph (B) of this paragraph; is entitled to an annuity.

"(2) This subsection applies to an employee only if the employee—

"(A) was employed by the Canal Zone Government or the Panama Canal Company immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

"(B) has been employed without a break in service since the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force by the Panama Canal Commission or by an executive agency conducting operations in the Canal Zone or the Republic of Panama.

"(i)(1) An employee of the Panama Canal Commission or of an executive agency conducting operations in the Canal Zone or the Republic of Panama, to whom this subsection applies and who is involuntarily separated from the service before January 1, 2000, except by removal for cause on charges of misconduct or delinquency, as a result of the implementation of the Panama Canal Treaty of 1977—

"(A) after completing 20 year of service; or

"(B) not more than two years before the employee would have met the age and service requirements specified in subparagraph (B) of subsection (h)(1) of this section but for such separation;

is entitled to an annuity.

"(2) This subsection applies to an employee only if the employee—

"(A) was employed in the Canal Zone by an executive agency other than the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification, or the entry into force, of the Panama Canal Treaty of 1977; and

"(B) has been employed without a break in service since the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force by the Panama Canal Commission or by an executive agency conducting operations in the Canal Zone or the Republic of Panama.

"(j) For the purpose of subsections (h) and (i) of this section, 'executive agency' includes the Administrative Office of the United States Courts and the Smithsonian Institution.".

SEC. 206.—EARLY RETIREMENT COMPUTATION.—Section 8339 of title 5, United States Code, is amended:

(1) in subsection (f), by inserting after "subsections (a)–(e)" the following: "and (n)";

(2) in subsection (i), by inserting after "subsections (a)–(h)" the following: "and (n)";

(3) in subsections (j) and (k)(1), by inserting after "subsection (a)–(i)", each time it appears, the following: "and (n)";

(4) in subsection (l), by inserting after "subsections (a)–(k)" the following: "and (n)"; and

(5) in subsection (m), by inserting after "subsections (a)–(e)" the following: "and (n)"; and

(6) by adding at the end thereof the following new subsections:

"(n) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or the Canal Zone Government immediately before the date on which the Panama Canal Treaty of 1977 enters into force and who transfers without a break in service to a position in the Panama Canal Commission or in another executive agency in the Republic of Panama, is computed, with respect to the period of that service performed after the entry into force of the Panama Canal Treaty of 1977 and before any break in such service, by adding—

"(1) the product of multiplying 2½ percent of the employee's average pay by so much of such service as does not exceed 20 years; plus

"(2) the product of multiplying 2 percent of the employee's average pay by so much of such service as exceeds 20 years.

"(o) The annuity computed under subsection (n) of this section for an employee who was employed as a law enforcement officer or firefighter shall be increased by $8 for each full calendar month of such service in the Republic of Panama after the entry into force of the Panama Canal Treaty of 1977 and before the completion by the employee of 20 years of service as a law enforcement officer or firefighter.

"(p) The annuity computed under this subchapter for an employee who—

"(1) served as a law enforcement officer or firefighter in the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

"(2) does not qualify for retirement under section 8336(c) of this title;

shall be increased by $12 for each full calendar month of such service before the entry into force of the Panama Canal Treaty of 1977 and before the completion by the employee of 20 years of service as a law enforcement officer or firefighter.".

SEC. 207. NONCITIZEN RETIREMENT TRANSFER TO SOCIAL SECURITY SYSTEM OF THE REPUBLIC OF PANAMA.—

(a)(1) Subject to subsection (b) of this section, and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay, to such extent or in such amounts as may be provided in advance in appropriation Acts, to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement Fund under section 8334(a)(2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual, with respect to whom this subsection applies, who—

(A) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of the Panama Canal Treaty of 1977 and related agreements; and

(B) becomes employed under the Social Security System of the Republic of Panama through the transfer of a function of activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least five years of Federal service under the United States Civil Service Retirement System;

(B) is not eligible for an immediate retirement annuity, and does not elect a deferred annuity under the United States Civil Service Retirement System; and

(C) elects to withdraw the entire amount of his contributions to the United States Civil Service Retirement System and to transfer such amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) of this subsection shall not exceed the entire amount of the individual's contribution withdrawn from the United States Civil Service Retirement Fund.

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in implementation of Article IV of the Panama Canal Treaty of 1977, the President, or his designee, may pay to the Republic of Panama, in accordance with such regulations as the President or his designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriations Acts, amounts necessary to purchase, or to supplement the purchase of, a retirement equity in the Social Security System of the Republic of Panama for the benefit of each employee of the United States Forces in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on or before the date on which the Panama Canal Treaty of 1977 enters into force in an agency or instrumentality of the Government of the United States in the Republic of Panama (including, with respect to employement before such date, the area formerly known as the Canal Zone);

(C) who, for any period of such employee's service in such agency or instrumentality before the date on which the Panama Canal Treaty of 1977 enters into force, was not covered, by reason of such service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) whose period of service referred to in subparagraph (C) of this paragraph was of such a nature that such employee would have been covered at that time by the Social Security System of the Republic of Panama had such law been applicable.

(2) The retirement equity referred to in paragraph (1) of this subsection with respect to any employee will cover retroactively, from the date on which the Panama Canal Treaty of 1977 enters into force, all periods of service by such employee in agencies and instrumentalities of the Government of the United States in the Republic of Panama (including the area known before such date as the Canal Zone) during which such employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama and during which such employee's service was of such a nature that the employee would have been covered by the Social Security System of the Republic of Panama had such law been applicable.

SEC. 208. CASH RELIEF TO CERTAIN FORMER EMPLOYEES.—

(a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b) of this section, such cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before the effective date of this Act pursuant to section 181 of the Canal Zone Code (as in effect immediately before the effective date of this Act), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) of this section and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same per centum, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after the date of the enactment of this Act as increased by annuity increases made after such date of enactment under section 8340(b) of title 5, United States Code.

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a) of this section, under section 181 of the Canal Zone Code (as in effect immediately before the effective date of this Act), or under the Act of July 8, 1937, referred to in subsection (a) of this section. The term "widow" as used in this section includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least five years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 per centum of the rate at which cash relief, inclusive of any additional payment under subsection (b) of this section, would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13(a)(1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

SEC. 209.—APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916.—Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds appropriated to the Commission.

Subchapter V—Leave

SEC. 211. — LEAVE FOR JURY OR WITNESS SERVICE.—Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "the Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subchapter VI—Application to Related Personnel

SEC. 220.—LAW ENFORCEMENT, CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD, AND RELATED EMPLOYEES.—

(a) For the purposes of sections 125, 202, 203, 205, and 206 of this Act, including any amendment made by such sections, the United States attorney for the district of the Canal Zone and the Assistant United States attorneys and their clerical assistants, and the United States marshal for the district of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in such positions before the date on which the Panama Canal Treaty of 1977 enters into force and as employees of the Panama Canal Commission with respect to service in such positions on or after such date.

Subchapter VII—Labor-Management Relations

SEC. 225.—LABOR-MANAGEMENT RELATIONS.—The provisions of chapter 71 of title 5, United States Code, shall not apply with respect to employees of the agencies or instrumentalities of the Government of the United States whose posts of duty are located in the area comprising the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force, which area is within the land and water areas the use of which is made available to the United States pursuant to such treaty. In lieu of such provisions, the Secretary of Defense shall prescribe regulations which shall provide, equally for all such employees, for collective bargaining between employee representatives and management officials in such agencies or instrumentalities. Such regulations shall incorporate the provisions of sections 7102, 7106, 7116, 7120, and 7131 of such title 5. Such regulations shall include such provisions as are necessary, and shall be administered, so that such employees shall have the right to bargain collectively under the same conditions and with respect to the same subject matter as are applicable with respect to such right in connection with the civil service within the continental United States.

Chapter 5—FUNDS AND ACCOUNTS

Subchapter I—Funds

SEC. 231.—CANAL ZONE GOVERNMENT FUNDS.—On the effective date of this Act, any unexpended balances of the appropriation accounts appearing on the books of the Government as "Operating Expenses, Canal Zone Government (38-0116-0-1-806)" and "Capital Outlay, Canal Zone Government (38-0118-0-1-806)" shall be covered into the general fund of the Treasury, and any appropriations to which expenditures under such accounts have been chargeable before such effective date are repealed. The Panama Canal Commission may, to such extent or in such amounts as are provided in appropriation Acts to the Commission for such purpose, pay claims or make payments chargeable to such accounts, upon proper audit of such claims or payments. There are authorized to be appropriated to the Panama Canal Commission such funds as may be necessary to pay claims and makes payments pursuant to this section.

SEC. 232.—PANAMA CANAL COMPANY FUNDS.—

(a) On the effective date of this Act, the account appearing on the books of the Government as the "Panama Canal Company Fund" (38-4060-0-3-403) shall be terminated, and any unexpended balances under such accounts as of that date shall be covered into the general fund of the Treasury.

(b) On or after the effective date of this Act, tolls for the use of the Panama Canal and all other receipts of the Panama Canal Commission that, before such effective date, would have been credited to the accounts appearing on the books of the Government as the "Panama Canal Company Fund" (38-4060-0-3-403) shall be deposited in the Treasury as miscellaneous receipts.

(c) No funds may be appropriated to or for the use of the Panama Canal Commission, nor may any funds be obligated or expended by the Commission for any fiscal year, unless such appropriation, obligation, or expenditure has been specifically authorized by law.

(d) The Panama Canal Commission may, to such extent or in such amounts as are provided in advance in appropriation Acts, enter into contracts in order to carry out its functions.

SEC. 233. EMERGENCY FUND.—

(a) On the effective date of this Act, the Secretary of the Treasury shall establish and thereafter shall maintain in the Treasury a fund to be known as the "Panama Canal Emergency Fund". There are authorized to be appropriated, for deposit in such Fund (1) for the fiscal year beginning on October 1, 1979, $10,000,000, and (2) for any fiscal year beginning on or after October 1, 1980, such additional sums as may be necessary.

(b) The Panama Canal Commission may make withdrawals from the fund by check in order to defray emergency expenses and to insure continuous operation of the Panama Canal, if funds appropriated for the operation and maintenance of the Canal are insufficient for such purposes. Any withdrawal from the fund or expenditure made under this subsection shall be reported forthwith by the Commission to the Congress and to the Office of Management and Budget.

Subchapter II—Accounting Policies and Audits

SEC. 234.—ACCOUNTING POLICIES.—The Panama Canal Commission shall establish and maintain its accounts pursuant to the Accounting and Auditing Act of 1950 (31 U.S.C. 65 et seq.) and the provisions of this chapter. Such accounts shall specify all revenues received by the Commission, including tolls for the use of the Canal, and all expenses of maintenance and operation of the Panama Canal and of its complementary works, installations and equipment, including depreciation, amortization of the right to use assets made available to the United States under the Panama Canal Treaty of 1979, payments to Panama under the Panama Canal Treaty of 1977, expenditures for capital plant replacement, expansion and improvement, and interest on the investment of the United States as shown in the accounts of the Panama Canal Company at the close of business on the day before the effective date of this Act, and as increased by the amount of additional appropriations, and reduced by the amount of payments into the Treasury, which are made with respect to such investment.

SEC. 235.—REPORTS.—The Commission shall, not later than January 31 of each year, submit to the President and the Congress, a financial statement and a complete report with respect to the maintenance and operation of the Panama Canal during the preceding fiscal year.

SEC. 236.—AUDIT BY GENERAL ACCOUNTING OFFICE.—

(a) Financial transactions of the Panama Canal Commission shall be audited by the General Accounting Office pursuant to the Accounting and Auditing Act of 1950. In conducting any audit pursuant to such Act, the appropriate representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission and necessary to facilitate such audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. An audit pursuant to such Act shall first be conducted with respect to the fiscal year in which this Act becomes effective.

(b) The Comptroller General shall, not later than six months after the end of each fiscal year, submit to the Congress a report of the audit conducted by the Comptroller General with respect to such fiscal year. Such report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit, based on the accounts of the Commission established pursuant to this chapter; a statement of income and expense; a statement of sources and application of funds; and such comments and information as the Comptroller General considers necessary to keep the Congress informed of the operations and financial transactions of the Commission, together with such recommendations with respect to such operations and transactions as the Comptroller General considers advisable. The report shall identify specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried out or made and has not been authorized by law. The Comptroller General shall submit a copy of each such report to the President, to the Secretary of the Treasury, and to the Commission.

Subchapter III—Interagency Accounts

SEC. 240.—INTERAGENCY SERVICES; REIMBURSEMENTS.—

(a) The Panama Canal Commission shall reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the Commission's employees, and the Employees' Compensation Fund, Bureau of Employee's Compensation, Department of Labor, for the benefit payments to the Commission's employees, and shall also reimburse other Government agencies for payments of a similar nature made on its behalf.

(b) The Department of Defense shall reimburse the Panama Canal Commission for

amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

(c) Notwithstanding any other provision of law, appropriations (for any fiscal year beginning after September 30, 1979) of the Department of Defense, or such other agency or agencies as may be designated for this purpose by the President, shall be made available for conducting the educational and health care activities, including kindergartens and college, carried out by the Canal Zone Government and Panama Canal Company before the effective date of this Act, and for providing the services related thereto to the categories of persons to which such services were provided before such effective date. Amounts so expended by an agency for furnishing services to an employee of any other agency and the dependents of such employee (less amounts payable by such employee) shall be fully reimbursable to the agency furnishing the services from appropriations of the agency bearing the cost of the compensation of the employee concerned.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission may furnish personnel, records, and other services to the military post offices whenever appropriate to assure the proper distribution, rerouting, or return of such mail.

Subchapter IV—Postal Accounts

SEC. 241.—TERMINATION OF POSTAL SERVICE; DISPOSITION OF FUNDS.—

(a) The postal service of the Canal Zone maintained and operated pursuant to chapter 73 of title 2 of the Canal Zone Code, as in effect immediatey before the effective date of this Act, is terminated, and all funds of the postal service of the Canal Zone shall be covered into the United States Treasury as miscellaneous receipts.

(b) Securities of the United States acquired by investment of funds of the Canal Zone postal service under chapter 73 of title 2 of the Canal Zone Code, as in effect immediately before the effective date of this Act, shall be redeemed by the Secretary of the Treasury and the face amount thereof, with any accrued interest, shall be paid into the general fund of the United States Treasury.

SEC. 242.—POSTAL SAVINGS CERTIFICATES.—

(a) Interest on postal savings certificates issued before the effective date of this Act under chapter 73 of title 2 of the Canal Zone Code, as in effect immediately before the effective date of this Act, and interest on deposit money orders issued in lieu of such certificates before such effective date, shall cease to accrue on the anniversary dates of the respective certificates occurring in the 12-month period beginning on the effective date of this Act.

(b) In the settlement and payment of any postal savings account under this subchapter, including all interest accrued thereon, which is maintained in the name of a deceased, presumed dead, or incompetent depositor, or which is determined to be payable to—

(1) a minor;

(2) a person adjudicated mentally incompetent or under other legal disability; or

(3) the estate of a person who is deceased or presumed dead,

the payment of such account, or any appropriate share thereof, may be made to a legal representative of the depositor, or to a legal representative of the person or property of a claimant described in paragraph (1), (2), or (3). If there are no outstanding guardianship or administration proceedings concerning the person or estate of the depositor, or the person or estate of such claimant, payment shall be made to the person who is otherwise qualified to receive payment according to the laws of descent and distribution in effect in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force. Payment made under this subsection shall be a bar to recovery by any other claimant of amounts so paid.

SEC. 243. SETTLEMENT OF POSTAL ACCOUNTS.—

(a) During the fiscal year beginning on the effective date of this Act, the Panama Canal Commission shall, to the extent practicable, settle and pay the accounts, discharge the obligations, and otherwise conclude the affairs of the Canal Zone postal service terminated by section 241(a) of this Act.

(b) Obligations of the postal service referred to in subsection (a) may be paid from any funds appropriated to the Commission.

SEC. 244.—MONEY ORDERS UNPAID AFTER TWENTY YEARS.—Money orders issued by the Canal Zone postal service may not be paid after 20 years from the last day of the month of original issue. Claims for unpaid money orders are forever barred unless received by the Panama Canal Commission within the 20-year period.

Subchapter V—Accounts With Republic of Panama

SEC. 250.—PAYMENTS TO PANAMA.—

(a) The Panama Canal Commission shall pay to the Republic of Panama those payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. Such payments shall be made from appropriations for such purpose.

(b) In determining whether operating revenues exceed expenditures for the purpose of payments to Panama under paragraph 4(c) of such Article XIII, such operating revenues in a fiscal period shall be reduced by (1) all expenditures of such period as shown by the accounts established pursuant to section 234 of this Act and (2) the accumulative sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of expenditures of the Commission over operating revenues.

SEC. 251.—TRANSACTIONS WITH REPUBLIC OF PANAMA.—The Panama Canal Commission may, on a reimbursable basis, provide to the Republic of Panama materials, supplies, equipment, work, or services, including water and electric power, requested by the Republic of Panama, at such rates as may be agreed upon by the Commission and the Republic of Panama. Payment for such materials, supplies, equipment, work, or services may be made by direct payment by the Republic of Panama to the Panama Canal Commission or by offset against amounts due the Republic of Panama by the United States.

SEC. 252.—DISASTER RELIEF.—If an emergency arises because of disaster or calamity by flood, hurricane, earthquake, fire pestilence, or like cause, not foreseen or otherwise provided for, and occurring in the Republic of Panama in such circumstances as to constitute an actual or potential hazard to health, safety, security, or property in the areas and installations made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission may expend available funds appropriated to the Commission, and utilize or furnish materials, supplies, equipment, and services for relief, assistance, and protection.

Chapter 7—CLAIMS FOR INJURIES TO PERSONS OR PROPERTY

Subchapter I—General Provisions

SEC. 271.—SETTLEMENT OF CLAIMS GENERALLY.—

(a) Subject to type provisions of this chapter, the Panama Canal Commission may adjust and pay claims for injury to, or loss of, property or for personal injury or death, arising from the operation of the Panama Canal or related facilities and appurtenances.

(b) No claim for an amount exceeding $60,000 shall be adjusted and paid by the Commission under the provisions of this chapter.

(c) An award made to a claimant under this section shall be payable out of any moneys appropriated for or made available to the Commission. The acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by the claimant of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim.

(d) Except as provided in section 296 of this Act, no action for damages on claims cognizable under this chapter shall lie against the United States or the Commission, and no such action shall lie against any officer or employee of the United States. Neither this section nor section 296 shall preclude actions against officers or employees of the United States for injuries resulting from their acts outside the scope of their employment or not in the line of their duties, or from their acts committed with the intent to injure the person or property of another.

(e) The provisions of section 1346(b) of title 28, United States Code, and the provisions of chapter 171 of such title shall not apply to claims cognizable under this chapter.

Subchapter II—Vessel Damage

SEC. 291.—INJURIES IN LOCKS OF CANAL.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew or passengers of vessels, which may arise by reason of their passage through the locks of the Panama Canal under the control of officers or employees of the United States. Damages may not be paid where the injury was proximately caused by the negligence or fault of the vessel, master, crew, or passengers. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel, whether it is permanent or temporary in character. A vessel is considered to be passing through the locks of the Canal, under the control of officers or employees of the United States, from the time the first towing line is made fast on board before entrance into the locks and until the towing lines are cast off upon, or immediately prior to, departure from the lock chamber.

SEC. 292.—INJURIES OUTSIDE LOCKS.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew, or passengers of vessels which may arise by reason of their presence in the Canal, or waters adjacent thereto, other than the locks, when the injury was proximately caused by negligence or fault on the part of an officer or employee of the United States acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal, and when the amount of the

claim does not exceed $60,000. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. In the case of a vessel which is required by or pursuant to regulations prescribed pursuant to section 1331 of this Act to have a Panama Canal pilot on duty aboard, damages may not be adjusted and paid for injuries to the vessel, or its cargo, crew, or passengers, incurred while the vessel was under way and in motion, unless at the time the injuries were incurred the navigation or movement of the vessel was under the control of a Panama Canal pilot.

SEC. 293.—MEASURE OF DAMAGES GENERALLY.—In determining the amount of the award of damages for injuries to a vessel for which the Panama Canal Commission is determined to be liable, there may be included—

(1) actual or estimated cost of repairs;

(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for the time the vessel is undergoing repairs;

(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire; and

(4) other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

Agent's fees, or commissions, or other incidental expenses of similar character or any items which are indefinite, indeterminable, speculative, or conjectural may not be allowed. The Panama Canal Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary.

SEC. 294.—DELAYS FOR WHICH NO RESPONSIBILITY IS ASSUMED.—The Panama Canal Commission is not responsible, and may not consider any claim, for demurrage or delays caused by—

(1) landslides or other natural causes;

(2) necessary construction or maintenance work on Canal locks, terminals, or equipment;

(3) obstruction arising from accidents;

(4) time necessary for admeasurement;

(5) congestion of traffic;

(6) time necessary for investigation of marine accidents; or

(7) except as specially set forth in this subchapter, any other cause.

SEC. 295.—SETTLEMENT OF CLAIMS.—

(a) Subject to subsection (b) of this section, the Panama Canal Commission, by mutual agreement, compromise, or otherwise, may adjust and determine the amounts of the respective awards of damages pursuant to this subchapter. Such amounts shall be payable promptly out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. Acceptance by a claimant of the amount awarded to him shall be deemed to be in full settlement of such claim against the Government of the United States.

(b) The Panama Canal Commission shall not adjust and pay any claim for damages for injuries arising by reason of the presence of the vessel in the Panama Canal or adjacent waters outside the locks where the amount of the claim exceeds $60,000, but shall submit the claim to the Congress by a special report containing the material facts and the recommendation by the Commission thereon.

SEC. 296.—ACTIONS ON CLAIMS.—A claimant for damages pursuant to section 291 of this Act who considers himself aggrieved by the findings, determination, or award of the Panama Canal Commission in reference to his claim may bring an action on the claim against the Commission in the United States District Court for the Eastern District of Louisiana. Subject to the provisions of this chapter and of applicable regulations issued pursuant to section 1331 of this Act relative to navigation of the canal and adjacent waters, such actions shall proceed and be heard by the court without a jury according to the principles of law and rules of practice obtaining generally in like cases between private parties and other agencies of the United States Government. Any judgment obtained against the Panama Canal Commission in an action under this chapter shall be paid out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. An action for damages cognizable under this section shall not lie against the United States or the Commission, otherwise, nor in any other court, than as provided in this section; nor may it lie against any officer or employee of the United States or of the Commission.

SEC. 297. INVESTIGATION OF ACCIDENT OR INJURY GIVING RISE TO CLAIM.—Notwithstanding any other law, a claim may not be considered under this subchapter, or an action for damages lie thereon, unless, prior to the departure from the Canal of the vessel involved—

(1) the investigation by the competent authorities of the accident or injury giving rise to the claim has been completed; and

(2) the basis for the claim has been laid before the Panama Canal Commission.

SEC. 298.—BOARD OF LOCAL INSPECTORS.—

(a) The President shall provide for the establishment of a Board of Local Inspectors of the Panama Canal Commission which shall perform. In accordance with regulations prescribed by the President—

(1) the investigations required by section 297 of this Act; and

(2) such other duties with respect to marine matters as may be assigned by the President.

(b) In conducting any investigations pursuant to subsection (a) of this section, the Board of Local Inspectors may summon witnesses, administer oaths, and require the production of books and papers necessary for such investigation.

Chapter 9—PUBLIC PROPERTY

SEC. 371.—ASSETS AND LIABILITIES OF PANAMA CANAL COMPANY.—All property and other assets of the Panama Canal Company shall revert to the United States on the effective date of this Act, and, except as otherwise provided by law, the United States shall assume the liabilities of the Panama Canal Company then outstanding. The Commission may use such property, facilities, and records of the Panama Canal Company as is necessary to carry out its functions.

SEC. 372. TRANSFERS AND CROSS-SERVICING BETWEEN AGENCIES.—

(a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred between departments and agencies of the United States, with or without reimbursement, such facilities, buildings, structures, improvements, stock, and equipment located in the Republic of Panama, and used for their activities therein, as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee.

(b) The Panama Canal Commission may enter into cross-servicing agreements with any other agency of the United States for the use of facilities, furnishing of services, or performance of functions.

(c) The Panama Canal Commission, any other agency or department of the United States, and any United States court in the Republic of Panama may transfer any of the records (or copies thereof) of the Commission, or of such agency, department, or court, as the case may be, including records acquired from the Canal Zone Government or the Panama Canal Company (including vital statistics records) to any other agency or department of the United States or to any other court of the United States and, in coordination with the Ambassador and with his approval, to the Government of the Republic of Panama.

(d) The provisions of this section shall apply to the Smithsonian Institution.

SEC. 373.—DISPOSITION OF PROPERTY OF THE UNITED STATES.—

No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

SEC. 374.—TRANSFER OF PROPERTY TO PANAMA.—On the date on which the Panama Canal Treaty of 1977 enters into force, the Secretary of State may convey to the Republic of Panama the Panama Railroad and such property located in the area comprising the Canal Zone immediately before such date, which area is not within the land and water areas the use of which is made available to the United States pursuant to such treaty. Property transferred pursuant to this section may no include buildings and other facilities, except housing, located outside such areas, the use of which is retained by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

Chapter 11—TOLLS FOR USE OF CANAL

SEC. 411. PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS.—

(a) President is authorized, subject to the provisions of this chapter, to prescribe and from time to time change—

(1) the rules for the measurement of vessels for the Panama Canal; and

(2) the tolls that shall be levied for the use of the Canal.

(b) Such rules of measurement and tolls prevailing on the effective date of this Act shall continue in effect until changed as provided in this chapter.

SEC. 412.—BASES OF TOLLS.—

(a) Tolls on merchant vessels, army and navy transports, colliers, tankers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of one hundred cubic feet each of actual earning capacity determined in accordance with the rules for the measurement of vessels for the Panama Canal, and tolls on other floating craft shall be based on displacement tonnage. The tolls on vessels in ballast without passengers or cargo may be less than the tolls for vessels with passengers or cargo.

(b) Tolls shall be prescribed at rates calculated to cover as nearly as practicable all costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including interest, depreciation, amortization of the investment of the United States in the Canal, payments to Panama pursuant to paragraph 5 of Article III and paragraphs 4(a) and (b) of Article XIII of the Panama Canal Treaty of 1977, and requirements for plant replacement, expansion and improvements.

(c) The President of the United States may require vessels operated by the United States, including warships, naval tenders, colliers, tankers, transports, hospital ships, and other vessels owned or chartered by the United States for transporting troops or supplies, and ocean-going training ships owned by the United States and operated by State nautical schools, to pay tolls. If, however, they are not required to pay tolls, the tolls thereon shall nevertheless be computed and the amounts thereof shall be treated as revenues of the Panama Canal for the purpose of prescribing the rates of tolls and computing the amount of the payment to the Republic of Panama pursuant to paragraph 4(a) of Article XIII of the Panama Canal Treaty of 1977 and section 250 of this Act.

(d) The levy of tolls is subject to the provisions of section 1 of article III of the treaty between the United States of America and Great Britain signed November 18, 1901, of article I of the treaty signed between the United States of America and the Republic of Columbia signed April 6, 1914, and of articles II, III, and VI of the Treaty Concerning Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977.

SEC. 413.—PROCEDURES.—

(a) The Panama Canal Commission shall publish in the Federal Register notice of any proposed change in the rules of measurement or rates of tolls referred to in section 411(a). The Commission shall give interested parties an opportunity to participate in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the notice. The notice shall include the substance of the proposed change and a statement of the time, place, and nature of the proceedings. At the time of publication of such notice, the Commission shall make available to the public an analysis showing the basis and justification for the proposed change, which, in the case of a change in rates of tolls, shall indicate the conformity of the existing and proposed rates of tolls with the requirements of section 412 of this Act.

(b) After consideration of the relevant matter presented the Commission may revise the proposed rules of measurement or rates of tolls, as the case may be, except that, in the case of rates of tolls, if such revision proposes rates greater than those originally proposed, a new analysis of the proposed rates shall be made available to the public, and a new notice of the revised proposal shall be published in the Federal Register apprising interested persons of the opportunity to participate further in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the new notice. The procedure set forth in this subsection shall be followed for any subsequent revision of the proposed rates by the Commission which proposes rates higher than those in the preceding proposal.

(c) After the proceedings have been conducted pursuant to subsections (a) and (b) of this section, the Commission shall publish in the Federal Register a notice of the changes in the rules of measurement or rates of tolls, as the case may be, to be recommended to the President.

(d) Upon publication of the notice pursuant to subsection (c), the Commission shall forward a complete record of the proceedings, with the recommendation of the Commission, to the President for his consideration. The President may approve, disapprove, or modify any or all of the changes in the rules of measurement or rates of tolls recommended by the Commission.

(e) Rules of measurement or rates of tolls prescribed by the President pursuant to this chapter shall take effect on a date prescribed by the President which is not less than 30 days after he publishes such rules or rates in the Federal Register.

(f) Action to change the rules of measurement for the Panama Canal or the rates of tolls for the use of the Canal pursuant to this chapter shall be subject to judicial review in accordance with chapter 7 of title 5 of the United States Code.

SEC. 414.—INTERIM TOLL ADJUSTMENT.—

(a) After the effective date of this section, the Panama Canal Company may, only in accordance with the procedures set forth in section 413 of this Act for making changes in tolls by the Panama Canal Commission and the President, propose rates of tolls calculated to cover the costs of maintaining and operating the Panama Canal during the first fiscal year of operation beginning on the effective date of this Act. Such proposed rates shall be calculated in accordance with the provisions of section 412(b) of this Act. Such proposed rates of tolls shall be submitted to the President for approval in accordance with section 413 of this Act, except that the President may establish an effective date for such rates which is less than 30 days after the publication in the Federal Register required in subsection (e) of such section.

(b) If change in rates proposed by the Panama Canal Company do not become effective before the date on which the Panama Canal Treaty of 1977 enters into force, the proposed changes of the Panama Canal Company and any proceedings conducted with respect to such proposal before the effective date of this Act shall be considered to be proposed changes in rates of the Panama Canal Commission as fully as if such changes had been proposed originally by the Commission pursuant to this chapter.

(c) This section shall take effect on the date of the enactment of this Act.

PART 2—REGULATION

Chapter 11.—GENERAL REGULATIONS

SEC. 701.—AUTHORITY OF PRESIDENT.—The President may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for the operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the use of aircraft;

(2) the possession and use of alcoholic beverages;

(3) exclusion and removal of persons; and

(4) health and sanitation.

SEC. 702.—AUTHORITY OF COMMISSION.—The Panama Canal Commission may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the keeping and impounding of domestic animals;

(2) fire prevention;

(3) the sale or use of fireworks;

(4) the use of roads and highways;

(5) photographing of areas, objects, installations, and structures;

(6) swimming in the Panama Canal and adjacent waters; and

(7) the protection of wildlife; hunting and fishing.

Chapter 13.—SHIPPING AND NAVIGATION

Subchapter I—Operation of Canal

SEC. 1331.—OPERATING REGULATIONS.—The President may prescribe, and from time to time amend, regulations governing—

(1) the operation of the Panama Canal;

(2) the navigation of the harbors and other waters of the Panama Canal and areas adjacent thereto, including the ports of Balboa and Cristobal;

(3) the passage and control of vessels through the Panama Canal or any part thereof including the locks and approaches thereto;

(4) pilotage in the Canal or the approaches thereto through the adjacent waters; and

(5) the licensing of officers or other operators of vessels navigating the waters of the Panama Canal and areas adjacent thereto, including the ports of Balboa and Cristobal.

Subchapter II—Inspection of Vessels

SEC. 1351.—VESSELS SUBJECT TO INSPECTION.—With the exception of private vessels merely transiting the Panama Canal, and of public vessels of all nations, vessels navigating the waters of the Panama Canal shall be subject to an annual inspection of hulls, boilers, machinery, equipment, and passenger accommodations.

SEC. 1352.—FOREIGN VESSELS.—With respect to a foreign vessel of a country which has inspection laws approximating those of the United States, any such vessel having an unexpired certificate of inspection duly issued by the authorities of such country shall not be subject to an inspection other than that necessary to determine whether the vessel, its boilers, and its lifesaving equipment are as stated in the certificate of inspection. A certificate of inspection may not be accepted as evidence of lawful inspection under this section unless similar privileges are granted to vessels of the United States under the laws of the country to which the vessel belongs.

SEC. 1353. REGULATIONS GOVERNING INSPECTION.—The Panama Canal Commission shall prescribe, and from time to time may amend, regulations concerning the inspection of vessels conforming as nearly as practicable to the laws and regulations governing marine inspection by the United States Coast Guard.

TITLE II.—TREATY TRANSITION PERIOD

Chapter 1.—LAWS CONTINUED IN FORCE

SEC. 1501. LAWS, REGULATIONS, AND ADMINISTRATIVE AUTHORITY.—To the extent not inconsistent with the Panama Canal Treaty of 1977 and related agreements and the provisions of this Act, the Canal Zone Code and other laws, regulations, and administrative authority of the United States applicable in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in force for the purpose of the exercise of the United States of law enforcement and judicial jurisdiction during the transition period provided for in Article XI of the Treaty (hereinafter in this Act referred to as the "transition period").

Chapter 2.—COURTS

SEC. 1511. JURISDICTION.—

(a) During the transition period, the jurisdiction of the United States District Court for the District of the Canal Zone and the magistrates' courts under title 3 of the Canal Zone Code shall be continued, subject to the limitations set forth in Article XI of the Panama Canal Treaty of 1977.

(b) For purposes of the exercise of the jurisdiction provided in Article XI of the Panama Canal Treaty of 1977, the United States District Court and magistrates' courts referred to in subsection (a) shall construe the terms "United States citizen employees", "members of the United States Forces", "civilian component" and "dependents" as such terms are defined in the Panama Canal Treaty of 1977 and related agreements, and shall construe the term "areas and installations made available for the use of the United States' to mean (1) the Panama Canal operating areas and housing areas

described in Annex A to the Agreement in Implementation of Article III of that Treaty, (2) the Ports of Balboa and Cristobal described in Annex B to that Agreement, and (3) the Defense Sites and Areas of Military Coordination described in Annex A to the Agreement in Implementation of Article IV of that Treaty.

SEC. 1512. DIVISION AND TERMS OF DISTRICT COURT.—The United States District Court for the District of the Canal Zone may conduct its affairs at such places within the areas made available for the use of the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

SEC. 1513. TERMS OF CERTAIN OFFICES.—Notwithstanding the provisions of sections 5, 41, 45, and 82 of title 3 of the Canal Zone Code, in the term of office of a district judge, magistrate, United States attorney, or United States marshal appointed after the date of enactment of this Act shall extend for a period of 30 months beginning on the date on which the Panama Canal Treaty of 1977 enters into force, and any such term shall be subject to such extension of time as may be provided for the disposition of pending cases by agreement between the United States and the Republic of Panama, pursuant to the last sentence of paragraph 7 of Article XI of the Panama Canal Treaty of 1977.

SEC. 1514. RESIDENCE REQUIREMENTS.—Sections 5(d), 7(d), 41(d) and 45(d) of title 3 of the Canal Zone Code, the second sentence of section 42 of such title, and the second sentence of section 82(c) of such title, which provisions require that certain court officials reside in the Canal Zone, are hereby repealed.

SEC. 1515. SPECIAL DISTRICT JUDGE.—

(a) Section 6 of title 3 of the Canal Zone Code is amended to read as follows:

"6. Special district judge

The chief judge of the judicial circuit of the United States in which the district court lies may designate and assign a special district judge to act when necessary—

(1) during the absence of the district judge;

(2) during the disability or disqualification of the district judge because of sickness or otherwise to discharge his duties; or

(3) when there is a vacancy in the office of district judge.".

(b) Each designation and assignment by the chief judge under subsection (a) shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

SEC. 1516. MAGISTRATES' COURTS.—

(a) The two magistrates' courts established pursuant to section 81 of title 3 of the Canal Zone Code and existing immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in operation for a period of 30 months beginning on such date unless terminated during such 30-month period under subsection (b) of this section.

(b) During the 30-month period referred to in subsection (a), the President may terminate one or both magistrates' courts, together with the positions of magistrate and constable corresponding thereto, if the President determines that the workload is insufficient to warrant continuance of either or both courts. If one of the courts is so terminated, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the terminated court and shall take custody of and administer all records of the terminated court.

(c) If both magistrates' courts are terminated under subsection (b)—

(1) the United States District Court for the District of the Canal Zone shall exercise the jurisdiction of the magistrates' courts;

(2) all records of the magistrates' courts shall be transferred to and shall be considered to be records of the district court;

(3) a criminal action that otherwise would have come within the original jurisdiction of the magistrates' courts shall be instituted in the district court by a complaint executed pursuant to section 3701 of title 6 of the Canal Zone Code, and the law and rules applicable in the district court shall thereafter apply;

(4) all other criminal actions shall be instituted in the district court by the filing in each case of an information pursuant to chapter 213 of title 6 of the Canal Zone Code; and

(5) the provisions of section 172 of title 3 and sections 3801–3806 of title 6 of the Canal Zone Code, relating to preliminary examinations, shall not apply.

Chapter 3.—ATTORNEYS

SEC. 1521. OATH OF ATTORNEYS.—Section 543 of title 3 of the Canal Zone Code is amended to read as follows:

"543. Oath of Attorneys Admitted to Bar

Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge.".

Chapter 4.—TRANSITION AUTHORITY

SEC. 1531. TRANSITION AUTHORITY OF PRESIDENT.—Except as expressly provided to the contrary in this Act, in any other statute, or in the Panama Canal Treaty of 1977 and related agreements, any authority necessary for the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 shall be vested in the President.

TITLE III—GENERAL PROVISIONS

Chapter 1—CEMETERIES

SEC. 1601.—ADMINISTRATION OF COROZAL CEMETERY.

(a) On or after the effective date of this chapter, the President may enter into an agreement with the Republic of Panama for the administration by the American Battle Monuments Commission of such part of Corozal Cemetery in the Canal Zone as encompasses the remains of citizens of the United States. Such agreement shall provide for the administration of such part of Corozal Cemetery by the American Battle Monuments Commission free of all taxes and other charges and without compensation to the Republic of Panama, and in accordance with the pratcices, privileges and immunities associated with the administration of cemeteries outside the United States by the American Battle Monuments Commission, including the display of the flag of the United States.

(b) Upon the conclusion of the agreement with the Republic of Panama referred to in subsection (a) of this section, the President may transfer to the American Battle Monuments Commission the administration of such part of Corozal Cemetery as encompasses the remains of citizens of the United States.

SEC. 1602. DISINTERMENT AND REINTERMENT OF REMAINS OF UNITED STATES CITIZENS.—

(a) On or after the effective date of this chapter, the President may provide for—

(1) the removal of the remains of citizens of the United States from Mount Hope Cemetery in the Canal Zone to such part of Corozal Cemetery in the Canal Zone as encompasses the remains of citizens of the United States, or, upon the request of the next of kin, for the transportation of such remains from Mount Hope Cemetery to the United States for reinterment; and

(2) upon the request of the next of kin not later than thirty months after the date on which the Treaty between the United States and Panama Concerning the Permanent Neutrality and Operation of the Panama Canal, signed September 7, 1977, enters into force, the transportation to the United States for reinterment of the remains of citizens of the United States interred in Corozal Cemetery.

(b) The remains of any United States citizen whose next of kin objects in writing to the Secretary of the Army not later than three months after the date of the exchange of the instruments of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, signed September 7, 1977, may not be removed from Mount Hope Cemetery under subsection (a) of this section. Before the date on which such Treaty enters into force, the President shall fully advise the next of kin objecting under this subsection of all available options in reference to the remains of United States citizens and of the implications of such options.

SEC. 1603. COSTS.—

(a) The President may provide for the removal and reinterment of the remains of United States citizens pursuant to this chapter through any agency of the United States. The costs of such removal and reinterment may be paid out of any appropriations available to such agencies and shall not be treated as expenditures for the maintenance and operation of the Panama Canal for purposes of section 412 of this Act.

(b) Costs paid from appropriated funds pursuant to subsection (a) of this section shall include costs incurred for disinterment, preparation, cremation, transportation, and reinterment, but may not include costs incurred for caskets, urns, funeral home services, vaults, plots, or crypts, which costs shall be borne by the next of kin.

SEC. 1604. EFFECTIVE DATE.—

The provisions of this chapter shall take effect on the date of the enactment of this Act.

Chapter 2—IMMIGRATION

SEC. 1611.—SPECIAL IMMIGRANTS.—

(a) Section 101(a)(27)) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)), relating to the definition of special immigrants, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (D) the following new subparagraphs:

"(E) an immigrant who is or has been an employee of the Panama Canal Company or Canal Zone Government before the date on which the Panama Canal Treaty of 1977 enters into force, who is resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year or more, and his accompanying spouse and children; or

"(F) an immigrant, and his accompanying spouse and children, who is a Panamanian national and (i) who, before the date on which the Panama Canal Treaty of 1977 enters into force, has been honorably retired from United States Government employment in the Canal Zone with a total of fifteen years or more of faithful service or (ii) who, on the date on which the Panama Canal Treaty of 1977 enters into force, has been faithfully employed by the United States Government in the Canal Zone (or former Canal Zone) for fifteen years or more and who subsequently is honorably retired from such employment.".

(b) Section 212(d) of such Act (8 U.S.C. 1182(d)), relating to waivers of conditions of inadmissability to the United States, is

amended by adding after paragraph (8) the following new paragraph:

"(9) The provisions of paragraphs (7) and (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27)."

(c) The amendments made by this section shall take effect on the date of the enactment of this Act.

Chapter 3—AMENDMENTS; REPEALS; EFFECTIVE DATE

SEC. 1621.—CONFORMING AMENDMENTS.—

(a) Clause (vii) of section 5102(a) of title 5 of the United States Code is amended to read as follows:

"(vii) the Panama Canal Commission; or".

(b) The second sentence of section 403(a) of title 39 of the United States Code is amended by striking out "Except as provided in the Canal Zone Code, the" and inserting in lieu thereof "The".

(c) Section 3401(b) of title 39 of the United States Code is amended by inserting "or" immediately before "the Virgin Islands" and by striking out "or the Canal Zone,".

(d) Section 3402 of title 39 of the United States Code is amended—

(1) in subsection (a) by striking out "(a)" and by striking out "each post office in the Canal Zone postal service" and inserting in lieu thereof "each military post of the United States Forces in the Republic of Panama"; and

(2) by striking out subsection (b).

(e) Section 3682(b)(5) of title 39 of the United States Code is amended by striking out "the Canal Zone and".

(f) Section 1 of title II of the Act of June 15, 1917 (50 U.S.C. 191), is amended—

(1) by striking out the second paragraph; and

(2) in subsection (b) of the last paragraph by striking out "the Canal Zone,".

(g) Section 1 of title XIII of the Act of June 15, 1917 (50 U.S.C. 195), is amended by striking out "the Canal Zone and".

(h) The first section of the Act of August 9, 1954 (50 U.S.C. 196), is amended by striking out ", including the Canal Zone,".

(i) Title I of the Act of November 27, 1973 (87 Stat. 636), is amended by striking out the heading "Payment to the Republic of Panama" and all that follows that relates to that heading.

SEC. 1622.—REPEALS.—The following provisions of law are hereby repealed:

(1) Title 2 of the Canal Zone Code.

(2) Sections 2 and 3 of title 3 of the Canal Zone Code.

(3) Subchapter III of chapter 237 of title 6 of the Canal Zone Code.

(4) Subsection (d) of section 38 of the Arms Export Control Act (22 U.S.C. 2778(d)).

(5) Section 4 of the Act of November 15, 1941 (50 U.S.C. 191b).

SEC. 1623. EFFECTIVE DATE.—Except as provided in sections 202, 203, 414, 1511, 1604, and 1611 of this Act, the provisions of this Act shall take effect on the date on which the Panama Canal Treaty of 1977 enters into force.

SECTION-BY-SECTION ANALYSIS, PANAMA CANAL ACT OF 1979

Section 1. This section provides a short title, the "Panama Canal Act of 1979". That title is consistent with the popular name of the basic legislation governing the operation of the canal since its completion, the Panama Canal Act of August 24, 1912.

Section 2. Purpose of Act. This section emphasizes the basic purpose of the Act to provide for the operation and maintenance of the Panama Canal and for the exercise of the rights and performance of duties of the United States under the 1977 treaties. This statement of the purpose is substantially broader than that found in section 1 of the Executive Branch draft, in that it recognizes the responsibilities of Congress under the Constitution that are broader than implementation of the treaty.

Section 3. Applicable Laws. Although title two of the Canal Zone Code certain provisions of the general laws of the United States are repealed by section 1611 of the bill, titles 1, and 3 through 8 of the Canal Zone Code and other general laws now applicable in the Canal Zone are left in effect for purposes of exercise by the United States of authority recognized by the treaty. Sections 3(a) and 3(b) based on paragraphs (a) and (b) of section 401 of the Executive Branch draft, recognize that such provisions of law, insofar as they are applicable by virtue of the territorial jurisdiction of the United States in the Canal Zone prior to the 1977 treaty, continue in force only for the purposes of exercising the authority vested in the United States by the treaty.

Paragraph (c), based on Executive Branch sections 2(c) and 511, provides for changes in terminology in the laws continued in force by paragraph (a) to conform to the requirements of the treaty, and the provisions of title 2 of the Canal Zone Code as revised and incorporated in title 1 of this Bill, such as substitution of the name "Panama Canal Commission" for that of the "Panama Canal Company" as the agency operating the canal, and in some cases for the name of the separate Government agency now called the "Canal Zone Government", and for the title of the head of that agency, the "Governor of the Canal Zone."

The term "Government of the Canal Zone", however, would be replaced by the term "United States of America". Unlike "Canal Zone Government" which is the name of a government unit, "Government of the Canal Zone" is the generic term for the local governmental authority in the present Canal Zone. To the extent that this authority could be exercised under the Treaty, it will inhere in the United States. Finally, insofar as laws of the United States which refer to the Canal Zone apply to events occurring after the effective date of the new Treaty, the phrase "Canal Zone" is redefined to refer to areas and installations used or regulated by the United States pursuant to the Treaty.

TITLE I—ADMINISTRATION AND REGULATION

Part I. Administration

Chapter 1. Panama Canal Commission

This chapter restores the concept under which the canal operated until 1951, that the agency operating the canal is subject to the same fiscal and administrative controls as are applicable to Government agencies generally. The most conspicuous effect of this arrangement is that all revenues derived from the operation of the canal are to be paid into the Treasury and expenditures are to be made pursuant to Congressional authorization and appropriations.

Section 101. Panama Canal Commission. The treaty (Article III, paragraph 3) provides that the United States will carry out its responsibilities for operation of the Canal by means of a United States Government agency called the "Panama Canal Commission" constituted by and in conformity with the laws of the United States (Article III, paragraph 3), and that upon entry into force of the treaty, the Government agencies known as the Panama Canal Company and Canal Zone Government will cease to operate (Article III, paragraph 10).

Section 101 of the Bill replaces the Panama Canal Company by a new agency called the Panama Canal Commission. The new agency will be subject to the laws of the United States applicable generally to other Government departments and agencies other than those established as Government corporation Control Act. Apart from that general provision of section 101 that the agency is established for the maintenance and operation of the Canal and the facilities and appurtenances related thereto, the authority and responsibilities of the agency are spelled out by the further provisions of the bill and by the general laws of the United States referred to above.

Section 101 differs from the Executive Branch draft which continues the Panama Canal Company under a new name—the Panama Canal Commission—subject to most of the statutory provisions which now govern the Company, as amended in some particulars. (See Executive Branch 201 and Executive Branch Section-by-Section Analysis, chapter 1 of title II.)

Section 101 also differs from the Executive Branch draft in the express provision for operations of the Commission to be carried out under the direction of the Secretary of Defense. The Executive Branch draft leaves unchanged the provision of the present law that the interests of the United States as owner of the corporate agency shall be represented by the President of the United States or such officer as he may designate, called the "stockholder" (2 Canal Zone Code 62). Under this provision the President has in the past designated the Secretary of the Army as stockholder (35 CR 3.2) but as a practical matter the Secretary of the Army has exercised that delegated authority subject to the direction of the Secretary of Defense. Section 101 continues this arrangement by placing the responsibility for Executive oversight of canal operations in the Secretary of Defense who may, if he so desires, delegate the responsibility in whole or in part to the Secretary of the Army.

Although it is not contemplated that the provisions of this section will make the Panama Canal Commission a part of the Department of Defense, it is considered that consolidation of oversight responsibility in the Secretary of Defense is particularly appropriate in view of the relationship of that responsibility to the related duties of the Secretary of Defense in respect to the protection and defense of the Canal under the provisions of the 1977 treaties.

Section 102. Supervisory Board. Paragraph 3(a) of Article III of the treaty provides that the Panama Canal Commission "shall be supervised by a Board" consisting of nine members, five of whom shall be nationals of the United States and four of whom shall be nationals of Panama.

Section 102 of the bill establishes such a board. Consistent with the provisions of section 101 establishing the Commission as such, section 102 provides that the Board shall supervise the Commission under the direction of the Secretary of Defense. Except for the Secretary of Defense or an officer of the Department of Defense designated by him, the section limits membership on the Board to persons who are not officers or employees of either the United States or Panama. Experience with the operations of the Panama Canal Company with Boards of Directors selected predominantly from the private sector and other Boards composed predominantly of Government officials suggests that orientation of the members of the Board to private business and professional experience is preferable to a parochial approach resulting from identification with the particular interests of one or another department of the Government. Coordination of matters of Government policy with other departments and agencies is required in the management of all Government agencies, and the means for effecting that coordination will be available to the Panama Canal Commission through established channels.

Paragraph (b) of section 102 provides for appointment of the supervisory board by the President with Senate confirmation. Provision that the members serve at the pleasure of the President, without fixed terms, reinforces other provisions of the bill intended to insure that the operation of the Canal will be fully responsive to U.S. Government policy.

Section 102(b) continues the requirement of 2 C.Z. Code 63, applicable to the Board of Directors of the Panama Canal Company, that the members of the Board take an oath faithfully to discharge the duties of their office. This requirement, also continued in the same form in Executive Branch 205, requires an oath substantially less comprehensive than that established for officers of the United States by 5 U.S.C. § 3331, although the oath prescribed by the latter section is that now administered to members of the Board of Directors of the Panama Canal Company.

Section 102(c) provides that the Commission shall hold meetings in accordance with "regulations" rather than by-laws adopted by the Commission. The subsection also requires approval of the regulations by the Secretary of Defense, a requirement not included in the corresponding provision of Executive Brance 206.

Section 102(c) of this bill also includes the requirement of Executive Branch 206 that a quorum of the board include a majority of members who are United States nationals. There is no corresponding provision in 2 C.Z. Code 63, probably because appointment of directors who were not citizens of the United States was not contemplated at the time that section was enacted and later amended.

Section 103. Administrator. Paragraph 3(c) of Article III of the 1977 treaty provides that the United States shall "employ" a United States national as "Administrator" of the Commission, and a Panamanian national as Deputy Administrator through December 31, 1989, and that thereafter a Panamanian national shall be employed as Administrator and a U.S. national as Deputy Administrator. The treaty contains no provision defining the duties of either position.

Section 103 provides for appointment of the Administrator by the President with the advice and consent of the Senate. The section establishes the tenure of the appointee as subject to the pleasure of the President, to reinforce the control of the operation by the United States. In the absence of any inconsistent provision of the bill, the treaty provisions in regard to the nationality of the Administrator would continue in effect.

Section 103(b) establishes the compensation of the Administrator at Level 5 of the Executive Pay Schedule.

Section 103 differs from Executive Branch 207, which does not provide for Senate confirmation of the Administrator but does provide that the Administrator shall be the Chief Executive Officer of the Commission. Executive Branch 207 contains no provisions on tenure or compensation.

Section 103 differs from the Executive Branch draft (E.B. 207) in that E.B. 207:

(a) Does not provide for Senate confirmation of the President's appointment of the Administrator;

(b) Provides that "subject to the direction and under the supervision of the Board," the Administrator shall be the Chief Executive Officer of the Commission;

(c) Does not make any provision in regard to compensation of the Administrator;

(d) Combines provisions for the appointment of the Administrator and Deputy Administrator in one section.

Section 104. Deputy Administrator and Chief Engineer. This section provides for appointment by the President with confirmation by the Senate of (1) a Deputy Administrator (a position established by paragraph 3(c) of Article III of the treaty) and (2) a Chief Engineer. The section provides that both these officials shall perform duties prescribed by the President and shall be paid at rates not exceeding Grade 18 of the General Schedule.

The fact that the treaty expressly contemplates appointment of an Administrator and a Deputy Administrator, does not of course, preclude provision for appointment of other officers or action by the Congress, the President, or other official to establish the duties of all the officers of the Commission.

The fact that the maintenance and operation of the canal primarily involves engineering problems suggests the desirability of appointment of a competent engineer as a senior official in the administration of the canal organization. This factor has been recognized in provisions for the organization of the agency operating the canal from the time of its construction.

Section 105. Consultative Committee. Paragraph 7 of Article III of the 1977 treaty provides that the United States and Panama "shall establish" a Panama Canal Consultative Committee composed of an equal number of representatives of each country to "advise" the two countries on matters of policy affecting the Canal's operation including tolls policy, employment and training policies to increase the participation of Panamanian nationals in the operation of the Canal, and international policies on matters concerning the Canal. Recommendations of the Committee are to be transmitted to the two Governments "which shall give such recommendations full consideration in the formulation of such policy decisions."

Paragraph 7 of Article III of the treaty presents difficult problems in the formulation of legislation to provide for operation of the Canal.

The treaty does not establish the consultative committee but provides that the two Governments shall do so. The function of the committee specified by the treaty is to advise the United States and Panama on the basic policies that lie at the core of the operation of the canal. The subject matter specified by the treaty for consideration of the consultative committee, i.e. policies in regard to tolls, employment and international matters concerning the canal, embrace matters that are committed to the United States by paragraph 2 of the same Article of the treaty and committed by the Constitution to the legislative power of the Congress to regulate commerce and establish regulations governing use of the property of the United States.

It follows that the function of the consultative committee contemplated by the treaty is a legislative function and under the Constitution the power to establish the Commission and prescribe its duties rests with the Congress.

The purpose and effect of the provision of paragraph 7 of Article III, that the consultative committee shall advise the United States and Panama on matters of policy affecting the canal's operation and that the two Governments shall give such recommendations full consideration in the formulation of policy decisions is unclear, inasmuch as the policy matters on which the committee is to give advice are those committed by the treaty to the United States alone and are not matters for decision by the Government of Panama.

Section 105 of the bill resolves the question raised by paragraph 7 of Article III of the treaty by establishing the Panama Canal Consultative Committee composed of five representatives of the United States and an equal number of representatives of the Republic of Panama. Two of the members representing the United States on the committee are to be appointed by the President *pro tempore* of the Senate, two members are to be appointed by the Speaker of the House, and one member is to be appointed by the President. Members of the Committee representing the Republic of Panama are to be appointed by the President on recommendation of the Government of Panama. All members of the Committee will serve at the pleasure of the appointing officer.

Members of the Committee are to serve without compensation but may be paid a per diem and travel expenses for travel required in performance of service for the Committee, in accordance with section 107 of the bill.

Section 105(c) provides for submission of the Committee's advice to the Congress through the President before any action is taken to make effective any change in the maintenance and operation or management of the canal based on the advice of the Committee and that such action shall not become effective if disapproved by resolution of either the House or the Senate. This provision will enable the Congress to consider the advice of the Committee on matters that are essentially legislative in nature and take such legislative action as may be appropriate.

Section 101(d) of the Executive Branch draft provides only that the President shall designate and the Secretary of Defense shall coordinate the participation of representatives of the United States to the consultative committee "to be established" under paragraph 7 of Article III of the Treaty.

Section 106. Commission on the Environment. Paragraph 2 of Article VI provides that a Joint Commission on the Environment shall be established with equal representation "from" the United States and Panama to review implementation of the treaty and make recommendations for protection of the environment from adverse effects resulting from actions taken pursuant to the treaty.

Section 106 of the bill authorizes the President to establish the Joint Commission contemplated by paragraph 2 of Article VI of the treaty, composed of not more than three representatives of the United States and three representatives of the Republic of Panama. The representatives of the United States on the Commission are to be appointed by the President, subject to confirmation by the Senate, and will serve at the pleasure of the President. Members of the Commission will serve without compensation but may be paid necessary travel expenses under section 107.

Section 101(a) of the Executive Branch draft provides only that the President shall appoint the representatives of the United States to the Commission "to be established" under paragraph 2 of Article VI of the treaty.

Section 107. Travel Expenses. This section provides that members of the Supervisory Board and members representing the United States on the Panama Canal Consultative Committee and Joint Commission on the Environment, all of whom will serve without compensation under the provisions of the bill, may be paid travel expenses in the same manner as persons employed intermittently in Government service under 5 U.S.C. § 5703(b).

There is no comparable provision in the Executive Branch draft.

2 Canal Zone Code 63(b) which would be left in effect by the Executive Branch draft, now provides that members of the Board of Directors of the Panama Canal Company may be paid a "reasonable" per diem allowance in lieu of expenses in connection with meetings of the Board or in connection with time spent on special service of the Company and travel expenses, in amounts established by the Board with the approval of the stockholder, without regard to the Travel Expense Act of 1949, as amended (now 5 U.S.C.).

Section 107 of this bill is a provision commonly included in legislation estab-

lishing boards, commissions and other bodies the members of which serve without compensation.

Section 108. Control by Armed Forces in Time of War. This section continues in effect a provision originally enacted as section 13 of the Panama Canal Act of August 24, 1912 (37 Stat. 569) authorizing the President to order the Armed Forces of the United States to assume exclusive authority over the operation of the canal in time of war or when, in the opinion of the President, war is imminent. The provision is presently incorporated in section 34 of title 2 of the Canal Zone Code. Since the opening of the canal, the authority vested in the President by this provision has been invoked by the President in the first and second World Wars. (Unnumbered Executive Order of April 9, 1917; Executive Order No. 8232 of September 5, 1939).

The Executive Branch draft repeals section 34 of title 2 of the Canal Zone Code in paragraph (a) of section 103 headed "Security Legislation" and includes no comparable provisions elsewhere in the draft. The section-by-section analysis of the Executive Branch draft, prepared by the Department of State, describes section 34 as a section that "deals with the authority of the President . . . over certain military activities within the Canal Zone" and states that the section is repealed "to reflect the termination of the Canal Zone and of the Office of the Governor." The analysis of the section goes on to add that "after the effective date of the treaty, authority over the U.S. Forces in Panama will be exercised in accordance with the normal chain of command."

The purpose of section 108 and its predecessor provisions is to integrate operation and defense of the United States in time of war or when war is imminently threatened. The section has nothing to do with what laws apply for the government of the area in which the canal is located. It does not provide for martial law or affect the military chain of command in that area; it does make the operation of the canal subject to control by the military officer designated and subjects the officials in charge of the peacetime operation of the canal to the order and direction of the officer so designated.

Nothing in the 1977 treaty affects the power of the United States to provide for control of the operation of the canal by the Armed Forces in time of war or in time of peace. The treaty provides for operation of the canal through an agency of the United States established by and in conformity with the laws of the United States. Provisions of the treaty for protection of the canal by United States and Panama in no way restrict the authority of the United States to enact laws providing for operation of the canal with appropriate consideration of the circumstances affecting that operation in time of war or when war is imminent.

Section 109. Authority of the Ambassador. This section, based on section 102 of the Executive Branch draft, excludes the Panama Canal Commission from the operation of 22 U.S.C. 2680a(1) which provides that the U.S. Ambassador to a foreign country shall have full responsibility for the "direction, coordination, and supervision" of all U.S. Government officers and employees in that country, except personnel under the command of a United States area military commander.

This provision is obviously inconsistent with the provisions of this bill, or of any legislation establishing authority and responsibility for operation of the canal in a government agency with a prescribed organizational structure that does not include the Ambassador as the supervisory authority.

On the other hand section 109(a) reenacts for the canal organization the provision of 22 U.S.C. 2080(a)(3) requiring a government agency in a foreign country to keep the U.S. Ambassador currently informed with respect to the activities and operations of its officers and employees in that country, but without the provision that the agency shall insure that its officers and employees comply with all "applicable directives" of the Ambassador.

Section 109 of this bill substitutes the Panama Canal Commission for the Administrator in the language adopted from section 102 of the Executive Branch draft.

Chapter 3. Employees

This chapter follows the form and organization of chapter 7 of title 2 of the Canal Zone Code. Some provisions of chapter 7 of title 2 of the Canal Zone Code are reenacted with appropriate changes in terminology required by the 1977 treaty and other provisions of this bill.

Chapter 7 of title 2 of the Canal Zone Code now contains five subchapters headed, respectively:

I. Canal Zone Government Employees.
II. Panama Canal Employees.
III. Wage and Employment Practices.
IV. Retirement and Other Benefits.
V. Miscellaneous.

This bill consolidates subchapters I, II, and V of the Canal Zone Code chapter 7 into one subchapter headed "Panama Canal Commission Personnel" and contains a total of six subchapters as follows:

I. Panama Canal Personnel.
II. Wage and Employment Practices.
III. Conditions of Employment and Placement.
IV. Retirement.
V. Leave.
VI. Application to Related Personnel.
VII. Labor-Management Relations.

Special provisions for the benefit of employees affected by the treaty included in the Executive Branch draft have been incorporated without substantial change. The explanation of those sections has been taken from the sectional analysis accompanying the Executive Branch draft.

Subchapter I—Panama Canal Personnel

Section 120. Appointment and Compensation; Duties. This section, based on 2 CZ Code 101 and 121, with appropriate changes in terminology required by the 1977 treaty, authorizes the Panama Canal Commission to appoint, fix the compensation of, define the duties and conditions of employment of personnel necessary to operate the canal, other than the Administrator, the Deputy Administrator and Chief Engineer who would be appointed by the President under sections 103 and 104 of the bill.

Section 4 of the Panama Act of August 24, 1912 (37 Stat. 561) authorized the President to operate the canal, through a Governor and such other persons as he might deem competent to perform the various duties involved. This authority was rephrased in section 81 of title 2 of the Canal Zone Code which provided that all persons, other than the Governor, necessary for the maintenance and operation of the canal should be appointed by the President or by his authority, be removable at the pleasure of the President, and receive compensation established by the Congress "until such time as Congress may by law regulate the same." The President exercised his authority under this section by Executive Order No. 1888 of February 2, 1914, "Providing Conditions of Employment for the Permanent Force For The Panama Canal". Section 3 of the Act of July 9, 1937 (50 Stat. 487) confirmed the construction given to the employment provisions of the Panama Canal Act (as incorporated in 2 CZ Code (1934) § 81, that the authority of the President under that section extended to prescribing conditions of employment in addition to compensation.

Under its New York charter, the Panama Railroad Company had, of course, the power to appoint necessary officers, employees, agents and attorneys. These powers were continued in the Act of June 29, 1948 reincorporating the Company under the Government Corporation Control Act (62 Stat. 1076) in a new section 248 of title 2 of the Canal Zone Code (1948) enumerating the general powers of the corporation.

The 1950 legislation changing the name of the corporation to Panama Canal Company" and transferring operation of the waterway to the Company did not substantially change the employment powers of the corporation (64 Stat. 1038).

The provisions of 2 CZ Code (1934 ed) § 81, as amended, authorizing the President to appoint and establish the conditions of employment of employees of the Panama Canal agency were continued in effect for the agency, renamed the Canal Zone Government.

The powers of the corporation and of the President were affected by legislation enacted in 1958 to carry into effect certain provisions of the 1955 treaty with Panama (Public Law 85–550, approved July 25, 1958, 72 Stat. 405). When the Canal Zone Code was revised in 1962, the employment provisions derived from the Panama Canal Act of August 12, 1914 were shown in section 101 of title 1, and the employment provisions derived from the 1948 Act reincorporating the Panama Railroad Company were carried into section 121 of title 1. The provisions based on the 1958 legislation were shown in subchapters III and IV of the 1962 edition of the Code.

Section 120(a) of the bill authorizes the Panama Canal Commission to employ the personnel necessary for carrying on the functions of the Commission. Paragraph (a) of the section also includes provision for continuation of the authority of the President to establish conditions of employment for the employees of the Commission in language adapted from the law applicable to the non-corporate agency operating the canal prior to 1950 (2CZ Code (1934 ed) § 81, as amended).

Paragraph (b) of the section, based on 2 CZ Code (1934 ed) § 82, and 2 CZ Code (1963 ed) 121(b), authorizes employment of other government employees and armed forces personnel to serve as officers and employees of the Commission.

Section 121. Transfer of Federal Employees. This section is based on section 306 of the Executive Branch draft. The section-by-section analysis accompanying that draft includes this explanation of the section:

"Section 306. Transfer of Federal Employees to Commission.—

"This section would authorize heads of federal agencies to enter into agreements to transfer or detail their employees to the new Panal Canal Commission for periods of up to five years. Affected employees would be entitled to reemployment with their original agencies without loss of those pay, seniority or rights or benefits to which they would have been entitled had they remained with such agencies. This provision would help implement Article X(5) of the Treaty, which requires the United States to rotate, with certain exceptions, at a maximum of five-year periods, U.S. citizens and other non-Panamanians hired after the Treaty effective date."

Section 122. Compensation of Persons in Uniformed Services. This section continues the provisions of 2 CZ Code 201 concerning compensation of persons in the military, naval or public health service serving with the Panama Canal Company or Canal Zone Government. Changes in terminology are made in the section to conform to the organizational changes provided for by other sections of the bill. 2 CZ Code is amended in similar fashion by section 304 of the Executive Branch bill.

Section 123. Deduction From Compensation of Amounts Due for Supplies or Services. This section continues in effect, with appropriate changes in terminology, provisions found in 2 Canal Zone Code sections 103 and 122, providing for payroll deductions of amounts due to the Canal Zone Government or Panama Canal Company, respectively by officers and employees of those agencies.

Section 301(a) of the Executive Branch draft accomplishes a similar result by repealing present section 122 and renumbering section 103 as section 122, with appropriate changes in terminology.

Section 124. Cost of Living Allowance. Since the time of construction of the canal, the United States Government agencies building and operating the canal have provided sales stores to supply the requirements of employees engaged in the operation. This practice is required to be discontinued by Article III of the treaty and the Annex referred to in paragraph 4 of Article III. However, paragraph 3 of Article XIII of the Agreement in Implementation of Article III of the Treaty permits the United States to furnish similar services to U.S. employees of the Commission in military commissaries and post exchanges for a period of five years after entry into force of the treaty. On the expiration of that five year period such employees will be required to buy exclusively from Panamanian sources and a sharp increase in their cost of living at that time is anticipated.

Section 124 of the bill authorizes payment to U.S. citizen employees of the Commission of a cost of living allowance when eligibility to buy from U.S. military sources comes to an end.

The section is identical to section 324 of the Executive Branch draft.

Section 125. Educational Travel Benefits. This section would entitle dependents of United States citizen employees of the Panama Canal Commission who are eligible for educational travel benefits, to one round trip each year for undergraduate studies in the U.S. until they reach their 23rd birthday. This benefit to employees would provide incentives for employees to stay in their jobs under the new Treaty arrangements. The section is based on section 323 of the Executive Branch draft.

Section 126. Privileges and Immunities of Certain Employees. Paragraph 3 of Article VIII of the Panama Canal Treaty permits the United States to designate not more than 20 officials of the Panama Canal Commission who, with their dependents, will be entitled to enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. The United States is required to furnish the Republic of Panama with current lists of such persons. This provision of the treaty does not of course, confer diplomatic status on the persons selected to receive these privileges.

This section of the bill provides that the persons selected to receive the privileges shall be designated by the Secretary of Defense, as the U.S. official responsible for oversight of the Commission. The section also provides that the list of persons designated by the Secretary of Defense will be submitted to Panama through the Department of State.

Section 105 of the Executive Branch draft provides that the Secretary of State will designate the persons who are to receive the privileges and furnish the list of such persons to Panama.

Section 127. Inapplicability of Certain Benefits to Certain Non-Citizens. The text of this section is based on section 328 of the Executive Branch draft, headed "Applicability of Benefits to Non-Citizens". The analysis accompanying that draft explains the purpose and effect of the section as follows:

"Section 328. Applicability of benefits to Noncitizens.—This section would effect technical amendments to conform certain provisions of personnel law to the new Treaty provisions concerning non-United States citizen employees of the Panama Canal Commission hired after the Treaty effective date who would be covered by the social security system of the Republic of Panama. See Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977. The amendments would make inapplicable to such persons the provisions of title 5 of the United States Code dealing with compensation for work injuries, retirement, life insurance, and health insurance. Coverage under such provisions would continue for non-United States citizen federal employees who had such coverage immediately prior to Treaty effective date."

Subchapter II—Wage and employment practices

This subchapter is a revision of subchapter III of title 2 of the Canal Zone Code which incorporated the provisions of Public Law 85–550 (72 Stat. 405) enacted in 1958 to carry into effect certain provisions of the 1955 treaty with Panama, and agreements accompanying that treaty. Subchapter II of this bill makes changes in the wage and employment system set up by the 1958 legislation as required to conform to the requirements of the 1977 treaty and accompanying agreements. The changes are generally those recommended in various sections of title III of the Executive Branch draft, although in form the organization of that title is somewhat different, as indicated by the analysis of the sections of this and subsequent subchapters.

Section 141. Definitions. This section reenacts the provisions of 2 CZ Code 141, with changes in the definitions of the words "department" and "position" when read with section 142(b) to which it refers. The effect of the change in the definition of "department," is to eliminate the requirement that the Panama Canal Employment System, established by section 142 apply to all U.S. Government Departments and agencies operating in the Canal Zone, and instead make the system applicable to the Panama Canal Commission and such other departments and agencies as may elect to adopt the system.

The definition of "position" is amended to reflect the elimination of references to the Canal Zone as a geographical entity and substitute the "Republic of Panama".

Section 141 of the Canal Zone Code (as renamed "Panama Canal Code") is similarly amended by section 302 of the Executive Branch draft.

Section 142. Applicability of Panama Canal Employment System. This section incorporates, with certain changes described below, the provisions of section 303 of the Executive Branch draft, substituting a Panama Canal Employment System for the general rules governing wage and employment practices in the Canal Zone provided by 2 CZ Code 142 as added by section 3 of the Act of July 25, 1958 (72 Stat. 405), enacted to implement certain provisions of an agreement accompanying the 1955 treaty with Panama. Section 303 of the Executive Branch draft is explained in the section by section analysis accompanying that draft as follows:

"Section 303. Panama Canal Employment System.—

"Section 142(a) of title 2 of the present Canal Zone Code prescribes the general standards governing the system of wage and employment practices governing the Panama Canal Company, the Canal Zone Government and all other U.S. agencies in the present Canal Zone. In place of this general Canal Zone system, section 142(a) would be revised and divided into two parts. First subsection (a) would require the Panama Canal Commission to conduct its wage and employment practices in accordance with the Panama Canal Employment System. The latter system, like the present Canal Zone Merit System, would be established in accordance with applicable Treaty requirements, provisions of law, including in particular section 149 of title 2 of the Panama Canal Code (see, analysis to section 307), and regulations promulgated by or under the authority of the President. The views and recommendations of the Panama Canal Commission with respect to any proposed regulation would have to be sought and taken into account. This would give the Commission a voice in the formulation of applicable employment standards, particularly those affected by the Panama Canal Treaty of 1977.

"Subsection (b) would give other executive agencies (as defined in 5 U.S.C. § 105) in Panama which have their present employment practices governed by the Canal Zone Merit System, the option of electing in whole or in part either to continue under the Panama Canal Employment System, or to adopt their own employment system, e.g., the system otherwise applicable to the agency's employees worldwide."

Paragraph (c) of section 142 of this bill would continue in effect the present provisions of 2 CZ Code 142(b) that authorize the President to exclude any employee or position from any provision of the subchapter and to extend to any employee, whether or not a citizen of the United States the same rights and privileges as those extended by applicable laws and regulations for United States citizens employed in the competitive civil service. These provisions are deleted in the amendment of the section proposed in section 303 of the Executive Branch draft.

Section 143. Employment Standards. This section reenacts, with appropriate changes in terminology to conform the language to other provisions of the bill, 2 CZ Code 143, requiring written standards for determination of qualifications and fitness of employees and applicants, and selection of individuals for appointment, promotion, or transfer.

2 CZ Code 143 is not amended by the Executive Branch draft.

Section 144. Interim Application of Canal Zone Merit System. This section is based on section 304 of the Executive Branch draft, explained in the section by section analysis accompanying that draft as follows:

"Section 304. Continuation of Canal Zone Merit System.—

"This section would continue the Canal Zone Merit System beyond the Treaty effective date if necessary and until such time as the Panama Canal Employment System is established under section 303 of this Bill. This will permit both continuity and an orderly transition in employment practices."

The Canal Zone Merit System was established by Executive Order 11171 of August 18, 1964 (35 CFR 251.21).

Section 145. Compensation. This section reenacts the provisions of 2 CZ Code 144 (a)–(c) authorizing heads of departments to establish and adjust rates of compensation for employees. Subsection (c) of 2 CZ Code 144, limiting compensation to not more than 25% in excess of compensation for similar work in the United States, is eliminated by this section of the bill and transferred to section 147, providing for overseas and recruitment differentials in addition to basic compensation. This section, based on section 305 of the Executive Branch draft, would be applicable not only to the Panama Canal Commission, but also to any department or agency of the United States electing to adopt the Panama Canal

Employment System pursuant to section 142(b).

Section 146. Uniform Application of Standards and Rates. This section, with appropriate changes in internal references to other sections of the bill, reenacts the provisions of 2 CZ Code 145, requiring uniform application of the employment standards and rates of basic compensation without regard to whether the applicant or employee is a ciftizen of the United States and Panama. 2 CZ Code 145 would be left in effect by the Executive Branch draft.

Section 147. Recruitment and Retention Remuneration. This section provides for payment to certain employees of "recruitment and retention remuneration" in addition to basic compensation with a limitation of total compensation to not more than 25% above rates paid for similar work in the United States. Subsections (a) and (b) are based on the provisions of section 305 of the Executive Branch draft, amending 2 CZ Code 146. In reference to that amendment the section by section analysis accompanying the Executive Branch draft states:

Section 146 is then revised to conform to the new Treaty provisions concerning additional remuneration that may be paid as overseas recruitment and retention differentials (a) to persons already employed on the Treaty effective date, and (b) to persons thereafter recruited outside of Panama for a position in Panama. Section 146 is also revised to provide for the possibility of granting additional remuneration in the form of an overseas recruitment and retention differential to medical doctors employed by the Department of Defense and Panama Canal Commission. The present section authorizes a tax allowance intended to equalize the take-home basic compensation of United States citizens and non-United States citizens and an overseas "tropical" differential, with an overall ceiling of 25%. The proposed revision would allow payment in such amounts as the head of the agency concerned determined should be paid as overseas recruitment and retention differentials. Without this authority to pay incentive differentials, the Panama Canal Commission, as well as other United States Government agencies in the Republic of Panama, might have difficulty in recruiting and retaining both United States and non-United States citizens, particularly in certain critical skills, which are necessary for the continued effective operation of the Canal and essential support activities."

Subsection (c) makes inapplicable to persons employed in Panama by the Panama Canal Commission or an agency that elects to be covered by the Panama Canal Employment System under section 142(b), the provisions of title 5 of the U.S. Code governing payment of overseas differentials to employees of the United States generally. This provision is included in section 330(b) of the Executive Branch draft.

Section 148. Benefits Based on Compensation. This section reenacts 2 CZ Code 148, with appropriate changes in internal references. The effect of the section is to provide for the use of an employee's full compensation, including any differential, for purposes of computation of retirement and other benefits. 2 CZ Code 148 would be left in effect by the draft bill proposed by the Executive Branch.

Section 149. Merit and Other Employment Requirements.—This section amending 2 CZ Code 149 is based on section 307 of the Executive Branch draft bill. The section by section analysis accompanying that draft explains the purpose of the amendment as follows:

"Section 307. Merit and Other Employment Requirements.—This would amend section 149 of title 2 of the redesignated Panama Canal Code, relating to the merit standard and other employment system requirements. Subsection (a) would authorize the President by regulation to amend or modify the Panama Canal Employment System consistent with section 142(a) as amended by section 303 of this Bill. As in the latter section, the views and recommendations of the new Panama Canal Commission would have to be sought and taken into account.

"Subsection (b) combines the subsections (b) and (c) of the present section 149, and makes revisions required by the Treaty. In particular, the merit standard for personnel decisions would be limited by the requirements in Article X of the Treaty establishing certain preferences for Panamanians. Apart from such limitations, however, the merit standard would continue to apply. As with the present Canal Zone Merit System, the Panama Canal Employment System would be required to conform generally to policies, principles and standards established under the Civil Service Act, and could provide for interchange of U.S. citizen employees between this employment system and the competitive civil service."

Section 150. Salary Protection Upon Conversion of Compensation Base. This section reenacts 2 CZ Code 150, as added by section 11 of the Act of July 25, 1958 (72 Stat. 409), affording protection against reductions in pay for employees whose basic rate of compensation is changed from comparability to the rate paid in the United States to another basis. The section would also continue in effect, without specific reference, by the draft bill submitted by the Executive Branch.

Section 151. Review and Adjustment of Classification, Grades and Pay Level. This section is a reenactment of 2 CZ Code 151, as added by section 12 of the Act of July 25, 1958 (72 Stat. 409), providing for administrative review, upon request of an employer, of his classification, grade or pay level. The section would also be continued in effect under the draft bill submitteed by the Exective Branch.

Section 152. Same; Panama Canal Board of Appeals; Duties. This section reenacts 2 CZ Code 152, as added by section 12 of the Act of July 25, 1958, establishes a Board of Appeals, to be appointed by the President or his designee, to hear appeals of employees from adverse determinations under section 151, as provided in section 153. The provisions of this section would also be continued in effect under the draft bill submitteed by the Executive Branch.

Section 153. Same; Appeals to Board; Procedure; Finality of Decisions. This section reenacts, with appropriate changes in terminology, the provisions of 2 CZ Code 153, as added by section 12 of the Act of July 25, 1958 (72 Stat. 409) regulating the processing of employee appeals from adverse determinations under section 151. The provisions of this section would be continued in effect under the draft bill submitteed by the Executive Branch.

Section 155. Administration by the President. This section reenacts with certain changes, 2 CZ Code 155, as added by section 15 of the Act of July 25, 1958 (72 Stat. 411) providing for administration of the subchapter under regulations issued by the President. The changes in the section are those provided in section 308 of the Executive Branch draft described as follows in the section by section analysis accompanying that draft:

"Section 308. Regulations, Examining Office.—

"This section would amend section 155 of title 2 of the present Canal Zone Code, which now authorizes the President to coordinate and promulgate regulations concerning the employment practices of departments and agencies in the Canal Zone. As amended, the section would require interagency coordination only in the event that an executive agency other than the Panama Canal Commission elected to participate in the Panama Canal Employment System under section 142 (b) as revised by section 303 of this Bill.

"Subsection (b) as amended would authorize the President to establish, in conjunction with the Panama Canal Employment System, a central examining office like the one presently in the Canal Zone. However, such an office would be required to be a part of the Panama Canal Commission and to perform functions relating to recruitment, examination and determination of qualification standards in accordance with the Panama Canal Treaty and related agreements, particularly Article X of the Treaty."

Section 156. Applicability of Other Laws. This section reenacts 2 CZ Code 156, as added by section 17 of the Act of July 25, 1958 (72 Stat. 411), which now provides that nothing in provisions incorporated in this subchapter affect the application of the Veterans' Preference Act of 1944; section 6 of the Lloyd-LaFollette Act of August 24, 1912, or, to the extent applicable to certain classes of employees on the date of the Act, section 23 of the Independent Offices Appropriations Act, 1935 or section 205 of the Federal Employees Pay Act of 1945. The section has been revised to reflect the effect of codification and enactment into positive law of title 5 of the United States Code by the Act of September 6, 1966 (80 Stat. 378).

The Executive Branch draft would leave 2 CZ Code 156 in effect without amendment.

Subchapter III—Conditions of employment and placement

Section 202. Transferred Employees. Paragraph (a) of this section, a new section providing protection of employees against loss of benefits in transfers brought about by the 1977 treaty, is taken from section 321 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that bill describes the purpose and intent of that section as follows:

"Section 321. Transferred Employees.—This section would add a new section 202 to title 2 of the Canal Zone Code, requiring that, pursuant to Article X(2)(b) of the Treaty, specified terms and conditions of employment applicable to employees of the Canal Zone Government and the Panama Canal Company who are transferred to employment with the Panama Canal Commission be generally no less favorable than those applied to them prior to the Treaty. This protection would also be extended to employees transferred to other U.S. agencies in Panama."

Paragraphs (b) and (c) incorporate provisions of section 330 (c) and (d), respectively, of the Executive Branch draft bill, both of which relate to provisions of the U.S. Code affecting employees who will be transferred as a result of the treaty.

Paragraph (b) amends two provisions of title 20 of the U.S. Code relating to rates of pay and leave of teachers employed in the Department of Defense to make such provisions inapplicable to teachers employed by the Canal Zone Government who are transferred to the Department of Defense overseas school system.

Paragraph (c) amends three sections of title 5 of the U.S. Code relating to severance pay (§ 5595), relocation of transferred employees (§ 5724a), and compensation for injury or death of an employee (§ 8102) to change references to the Canal Zone to references to areas in Panama used or regulated by the United States pursuant to the 1977 treaty. These provisions represent specific applications of the general formula set out in section 3(c) of the bill.

Section 203. Placement. This is a new section providing for assistance in placement in other employment for United States citizen employees of the Panama Canal Company or Canal Zone Government who are

separated on the effective date of the treaty or thereafter during the life of the treaty, and for United States citizen employees of any U.S. Government agency in the Canal Zone whose positions are eliminated as a result of the treaty. The section is based on section 322 of the draft bill submitted by the Executive Branch and is described as follows in the analysis accompanying that draft:

"Section 322. Placement.—This section would add a new section 203 of title 2 of the Canal Zone Code, according appropriate placement assistance including priority placement to vacancies with the United States Government in the United States, for United States citizen employees of the Canal Zone Government and Panama Canal Company who on or any time after the Treaty effective date separate from employment for any reason other than misconduct or delinquency and are not placed in other appropriate positions with the United States Government in Panama. Subsection (b) extends the placement assistance contained in subsection (a) to employees of other U.S. agencies in Panama whose positions are eliminated as a result of implementation of the Treaty. Subsection (c) directs the Civil Service Commission to develop and administer a placement program for all eligible employees who request assistance."

Subchapter IV—Retirement

Section 205. Early Retirement Eligibility. This section amends the Civil Service Retirement Act to provide early retirement of employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission or any Executive agency in the Canal Zone who are involuntarily separated as a result of the treaty, or in the case of employees of the Panama Canal Company and Canal Zone Government, who voluntarily retire and who meet the age and service requirements set out in the section. Annuities are computed under the provisions of section 206.

Section 206. Early Retirement Computation. This section amends the civil service retirement act to provide more liberal computation of retirement annuities for employees who retire under section 205.

Sections 205 and 206 are based on sections 325 and 326 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that bill contains the following explanation of the purpose and intent of the provisions of these two sections:

"Employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission and any Executive agency in the Canal Zone, who are involuntarily separated or scheduled to be separated as a result of implementation of the Treaty will be eligible to retire if they have 18 years service and are 48 years old. Persons employed by the Panama Canal Company or the Canal Zone Government prior to the exchange of instruments of ratification of the Treaty or prior to its effective date, including some employees who are transferred to the Panama Canal Commission or an Executive agency in the Republic of Panama, and who have at least 18 years of service and are 48 years old or who have 23 years of service at any age elect to voluntarily retire if they do not wish to continue Federal employment in the Republic of Panama. There will be no reduction in the computation of the annuity because of the age at which an employee retires.

"Employees of the Panama Canal Company or Canal Zone Government who continue employment with the new Panama Canal Commission or other Executive agency in the Republic of Panama will have their annuity computed at 2½ percent for each full year they continue in such employment after the effective date of the Treaty up to a maximum of 20 years.

"Law enforcement officers and firefighters with at least 18 years of service as law enforcement officers or firefighters and who are at least 48 years of age when separated will have their annuities computed at 2½ percent for each year of service (up to 20 years). Employees who separate prior to completing 18 years of law enforcement or fire service and reaching 48 years of age will have their annuities increased by $12 for each month of law enforcement or fire service (not to exceed 20 years) prior to the effective date of the Treaty. Law enforcement officers and firefighters will receive an additional annuity of $8 for each month of such service after the entry into force of the Treaty until they have served a total of 20 years as law enforcement officers or firefighters."

Section 207. Non-Citizen Retirement; Transfer to Panama Social Security System. This section is derived from section 329 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that draft describes the purpose and intent of the section as follows:

"Section 329. Non-U.S. Citizen Retirement.—Subsections (a) and (b) relate to persons separated from employment with the present Canal agencies or the Panama Canal Commission, as a result of the implementation of the new Treaty and related agreements, who become employed under the Social Security System of the Republic of Panama through the transfer of a function or activity or through a job placement assistance program. This provision would implement Article VIII(3) of the Agreement in Implementation of Article III of the Panama Canal Treaty, and would apply regardless of the employee's nationality. In the cases specified in this section, the United States would pay matching funds to the social security system of Panama to aid in the purchase of a retirement equity in the Panama system. The matching funds would come from the United States Civil Service Retirement Fund.

"Subsection (c) would implement the requirements of paragraph 2 to Annex C of the Agreement in Implementation of Article IV of the Panama Canal Treaty. That provision requires that non-U.S. citizen employees not covered by the Civil Service Retirement System, and employees paid by non-appropriated fund instrumentalities, be covered by the Panamanian social security system with contributions from U.S. employer agencies. It also requires the United States to request legislation to pay each such employee a retirement similar to that of the Panamanian social security system. Subsection (c) implements these requirements by authorizing the purchase of a retirement equity or supplement for such employees under the Panamanian social security system. The provision will serve to provide retirements to nonappropriated fund employees working at Departments of Defense installations (e.g., cafeteria and hospital workers), pursuant to the Treaty. As understood during the Treaty negotiations, the provisions would apply retroactively to cover service prior to the Treaty effective date."

Section 208. Cash Relief to Certain Former Employees. This section is based on 2 CZ Code 181 which was derived from the so-called "Cash Relief Act" of July 8, 1937, (50 Stat. 478), as amended by the Act of September 26, 1950 (64 Stat. 1038); the Act of February 20, 1954 (68 Stat. 17); the Act of July 25, 1958 (72 Stat. 410); the Act of July 14, 1960 (74 Stat. 552); the Act of November 2, 1977 (80 Stat. 1106); and the Act of July 24, 1970 (84 Stat. 470).

The 1937 cash relief act provided small annuities for employees of the Panama Canal (the agency) who were not citizens of the United States and hence at that time not covered by the Civil Service Retirement Act, and who were separated from employment because of disability resulting from age or disease. Employees of the Panama Railroad Company were not covered by the Act, but its provisions were extended by administrative action of the Company to its non-citizen employees. After the names of the Panama Canal Agency and Panama Railroad Company were changed to "Canal Zone Government" and "Panama Canal Company" by the Act of September 26, 1950, the 1955 treaty with Panama undertook to bring the non-citizen employees of both agencies under the Civil Service Retirement System.

This was accomplished prospectively by the Act of July 25, 1958 listed above, but the cash relief act, as amended remained applicable to employees of the Canal Zone Government who had been separated from employment prior to October 5, 1958, the effective date of the Act. Conforming to past practice, the Panama Canal Company continued to apply the cash relief act to its non-citizen employees separated from employment prior to October 5, 1958. The other amendments listed provided for changes in the computation of the annuity under the cash relief act and extended its benefits to widows of deceased employees who had been eligible for such benefits.

Section 208 provides for continuation of the benefits provided by the cash relief act to eligible employees separated before October 5, 1958 but includes in the law former employees of the Panama Railroad Company or Panama Canal Company in view of the discontinuance of those government agencies that up to now have provided the benefits by administrative action. The conditions for eligibility and amount of the payments now authorized by 2 CZ Code § 181 remain unchanged.

2 CZ Code § 181 would apparently be left in effect unchanged under the provisions of the draft bill submitted by the Executive Branch.

Section 209. Appliances for Employees Injured Prior to September 7, 1916. This section continues in effect provisions of 2 CZ Code § 182 for purchase of prosthetic appliances for persons injured in the service of the Isthmus Canal Commission or of the Panama Canal prior to the date of enactment of the U.S. Injury Compensation Act of September 7, 1916 (39 Stat. 712) which authorized furnishing such appliances to injured employees of the Government generally including employees of the Panama Canal and Panama Railroad Company and their successor agencies. The provision was originally incorporated in 2 CZ Code (1934 ed.) § 124, as added by section 4 of the Act of August 12, 1949 (63 Stat. 602).

2 CZ Code § 182 would not be affected by the draft bill submitted by the Executive Branch.

Section 211. Leave for Jury or Witness Service. This section corresponding to section 330(a) of the draft bill submitted by the Executive Branch amends 5 U.S.C. § 6322(a) providing for leave of Government employees for jury or witness service. Section 6322(a) is now applicable to employees in the Canal Zone, and this section of the bill substitutes the phrase "the Republic of Panama" to conform to the provisions of the treaty.

Subchapter VI—Application to related personnel

Section 220. Law Enforcement, Canal Zone Civilian Personnel Policy Coordinating Board, and Related Employees. Paragraph (a) of this section provides that the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants and the U.S. Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be treated the same as employees of the Panama Canal Commission for the purposes of sections of the bill providing for

protection of transferred employees (§ 02), placement of employees (§ 203), and early retirement (§§ 205, 206). The provision does not include the Judge and other personnel of the U.S. District Court.

Under section 220(b), the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the manager of the Central Examining Office and their staffs are to be considered for purposes of all provisions of the Act as employees of the Panama Canal Company before service prior to the entry into force of the treaty and as employees of the Panama Canal Commission for service after that date.

Section 220 of the bill is derived from section 327 of the draft bill submitted by the Executive Branch. The purpose and intent of the section is described in the analysis accompanying that draft as follows:

"Section 327. Employees of Related Organizations.—This section is necessary to extend to employees mentioned in this section the same benefits that the preceding sections would provide for Panama Canal Commission employees. These employees have always been so treated in matters such as these and the policy should continue."

Section 6 of Executive Order 7676 of July 26, 1937 (2 C.F.R. 1323) extended to the U.S. District Court for the Canal Zone and its personnel, including the District Attorney and Marshal, the conditions of employment and perquisites applicable to employees of the Panama Canal.

The Canal Zone Personnel Policy Coordinating Board is presently constituted and functions under regulations issued by the Secretary of the Army (35 C.F.R. § 253.4–253.5) pursuant to authority vested in the President by 2 CZ Code 142(b) and delegated to the Secretary of the Army by Executive Order 11171 of August 18, 1964 (35 C.F.R. 251.2).

Subchapter VII—Labor-Management relations

Section 225. Labor-Management Relations. This section makes inapplicable the provisions of chapter 71 of title 5 of the U.S. Code to U.S. Government employees in the areas the use of which is made available to the United States by the treaty. In lieu of those provisions, the section authorizes the Secretary of Defense to prescribe nondiscriminatory regulations incorporating certain provisions of chapter 71 of title 5 and providing for collective bargaining between employee representatives and management officials.

Chapter 5—Funds and Accounts

Subchapter I—Funds

Section 231. Canal Zone Government Funds. Paragraph 10 of Article III of the treaty provides that on entry into force of the treaty, the United States Government agency known as the Canal Zone Government shall cease to operate in territory of Republic of Panama now known as the Canal Zone.

As shown in Attachment B, the agency known as the Canal Zone Government was originally established by the Panama Canal Act of August 24, 1912 to maintain and operate the Panama Canal. In 1951 that function of the agency was transferred to the Panama Canal Company and the Canal Zone Government continued to perform the various duties connected with the canal government of the Canal Zone. In view of the provision of the 1977 treaty for discontinuance of operation of the agency in the Canal Zone the provisions of title 2 of the Canal Zone Code (§ 31–33) establishing the agency and defining the powers and duties of the Governor are repealed by section 1611 of this bill and by section 106(a) of the Executive Branch draft.

Under this section when the agency is discontinued on entry into force of the treaty, unobligated balances of Canal Zone Government appropriation accounts are to be covered into the general fund of the Treasury. The section also authorizes appropriations to the Panama Canal Commission for payment of claims chargeable to the discontinued accounts.

Section 232. Panama Canal Company Funds. Paragraph 2(d) of Article III of the treaty provides that in the operation of the canal, the United States may "Establish, modify, collect and retain tolls for the use of the Panama Canal and other charges, . . .".

Paragraph 10 of Article III provides that on entry into force of the treaty, the United States Government agency known as the Panama Canal Company shall cease to operate in the territory now known as the Canal Zone.

The Panama Canal Company presently operates the Panama Canal subject to the provisions of the Government Corporation Control Act and title 2 of the Canal Zone Code, under which all revenues from the operation are deposited in the Treasury or approved depository banks and are made available for expenditure for the purposes of the corporation by annual appropriation acts.

Under this section, when the Company ceases to operate on the effective date of the treaty the account of the Panama Canal Company in the Treasury will be abolished and any unobligated balances in the account are to be covered into the general fund of the Treasury. Thereafter, under paragraph (b) of the section, tolls for the use of the Canal and all other receipts of the Panama Canal Commission will be deposited in the Treasury as miscellaneous receipts.

Paragraph (c) of this section requires annual authorization and appropriations for expenditure or obligation of funds by the Panama Canal Commission similar to the requirements imposed on other departments and agencies by law (e.g., 10 USC 138) and the Rules of the House of Representatives.

The method of financing the operation of the canal provided by this section conforms to the arrangement in effect from the time of the opening of the canal in 1914 to the transfer of operation of the waterway to the Panama Canal Company, the Government corporation whose operations in Panama are required by the treaty to be discontinued. The provisions of the section are in *pari materia* and are to be read with the other sections of this chapter and of chapter 11 governing tolls for use of the canal.

Section 201 of the Executive Branch draft amends the charter of the Panama Canal Company by changing the name of the corporation to "Panama Canal Commission" and declaring the renamed corporation to be the successor the Panama Canal Company. Section 210 of the Executive Branch draft amends section 68 of title 2 of the Canal Zone Code to provide that all property and other assets of the Panama Canal Company and of the Canal Zone Government which are not transferred to other U.S. Government agencies or to the Republic of Panama "or otherwise disposed of" shall be the property and assets of the Panama Canal Commission which assumes the liabilities of the Company and of the Canal Zone Government. Under provisions of sections 65 and 66 of title 2 of the Canal Zone Code, which are left undisturbed by the Executive Branch draft, the Commission would have broad authority to dispose of such assets and property subject to review by the Congress only in the course of consideration of the annual budget program of the corporation.

Section 233. Emergency Fund. This section provides for a Panama Canal Emergency Fund of $40 million to be established in the Treasury. Under the provisions of paragraph (b) the Panama Canal Commission could make withdrawals from the fund by check to defray emergency expenses and to insure continuous operation of the canal if funds appropriated for the maintenance and operation of the canal prove to be insufficient for that purpose. This authority is comparable to the authority granted to the Panama Railroad by the Act of June 29, 1948 (62 Stat. 1076) to borrow from a special fund in the Treasury established by a deposit of $10 million of Company funds theretofore invested by the Company in the Government securities.

Paragraph (b) requires a prompt report to Congress and the Office of Management and Budget of emergency withdrawals from the fund and expenditures made pursuant to the section. Paragraph (c) authorizes additional deposits into the fund in amounts appropriated for that purpose.

The Executive Branch draft would continue in effect section 71 of title 2 of the Canal Zone Code which now authorizes the Panama Canal Company to borrow up to $40 million from the Treasury "for any of the purposes of the Company" without limiting the use of such borrowing authority to emergency situations.

SUBCHAPTER II—ACCOUNTING POLICIES AND AUDITS

Section 234. Accounting Policies. This section requires the accounts of the Panama Canal Commission to be kept in accordance with the provisions of this chapter and of the Accounting and Auditing Act of 1950, as amended (31 U.S.C. 65, et. seq.), which provides that the Comptroller General shall prescribe the principles, standards and related requirements for accounting to be observed by each executive agency. (31 U.S.C. 66(a)).

The section further requires that the accounts of the Commission show all revenues and expenses of the Commission, including interest on the investment of the United States in the Panama Canal.

Section 234 is closely related to the provisions of section 232, under which all revenues of the Canal operation will be paid into the Treasury and all expenses will be paid from appropriations, and the provisions of section 412 of this bill providing the basis for establishing tolls for use of the canal.

The provisions of this section when read with sections 232 and 412 are consistent with and accomplish the purposes of the reservation numbered (6) in the resolution of ratification of the Panama Canal treaty adopted by the Senate on April 18, 1978 requiring the Commission to reimburse the Treasury for interest on the investment of the United States in the Canal unless it is otherwise provided by legislation enacted by the Congress.

Interest on the investment of the United States in the canal has been recognized as a cost of operation since the canal was opened. Interest was shown in the accounts of the Panama Canal agency during the period prior to 1951 when all revenues were paid into the Treasury and all costs were paid from annual appropriations, the arrangement that would be continued by this bill. After 1951, the Panama Canal Company was required by its corporate charter (2 CZ Code 62) to reimburse the Treasury for interest on the investment.

Section 202 of the Executive Branch draft would repeal section 62(e) of title 2 of the Canal Zone Code, requiring reimbursement of the Treasury for interest on the investment, and make necessary changes in other provisions of sections 62 and 412 to reflect that change in policy.

Interest on the investment of the United States in the canal, computed in accordance with the present provisions of section 62 of title 2 of the Canal Zone Code, and at the rate established by the Treasury for fiscal year 1978 amounts to approximately $20 million a year.

Section 235. Reports. This section requires the Panama Canal Commission to submit annual reports and financial statements to the President and the Congress. No similar requirement is included in the present law or in the Executive Branch draft, although as a matter of practice the agency operating the Panama Canal has consistently published annual reports of operation, including financial statements.

Section 236. Audit by General Accounting Office. Paragraph (a) of this section provides for audit of the financial transactions of the Panama Canal Commission in accordance with the Accounting and Auditing Act of 1950, as amended. (31 U.S.C. 67)

Paragraph (b) requires the Comptroller General to make annual reports of the audit to the Congress, incorporating the same elements as those required by 31 U.S.C. §§ 850 and 851 for reports of audits of wholly owned Government corporations, now applicable to the Panama Canal Company, and which would continue to be applicable to the Panama Canal Commission under the Executive Branch draft.

Subchapter III—Interagency accounts

Section 240. Interagency services; Reimbursements. Paragraph (a) of this section is a restatement of section 69 of title 2 of the Canal Zone Code originally enacted as Sec. 252 of title 2 of the 1934 edition of the Code in section 2 of the legislation incorporating the Panama Railroad under the Government Corporation Control Act (62 Stat. 1076). When section 252 was reenacted as section 69 of the 1962 edition of the Code, a provision requiring the Panama Canal Company to reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the corporation's employees was omitted as unnecessary because of the inclusion of that requirement in the legislation governing the retirement fund for government agencies generally (now 5 U.S.C. 8334(a)(1)).

Section 8334(a)(1) is limited to Government contributions to the retirement fund matching the employees' contributions of 7 percent of the employees' basic pay. The requirement of section 240(a) of this bill that the Commission reimburse the retirement fund for "Government contributions" is not limited to the matching contribution by the agency but would apply to all payments into the fund by the U.S. Government on behalf of employees of the Commission, including the matching contribution and the addition to the fund of the early retirement provisions included in chapter 3 of this title.

Paragraph (b) of section 240 is based on section 232(a)(1) of title 2 of the Canal Zone Code which now requires the Department of Defense to reimburse the Panama Canal Company for the cost of maintaining defense facilities for that Department.

Paragraph (c) based on section 212(b) of the Executive Branch draft makes appropriations of the Department of Defense or of other agencies available for educational and health care activities now carried on by the Canal Zone Government but which may not be provided by the Panama Canal Commission under Article III of the treaty and paragraph 4 (XII) and (XIII) of the Annex referred to in paragraph 4 of Article III of the treaty. The last sentence of section 240 (c) of the bill provides for reimbursement of the agency furnishing the services by the employing agency for amounts expended for such services.

Subchapter IV—Postal accounts

Section 241. Discontinuance of Postal Service; Disposition of Funds. Chapter 73 of title 2 of the Canal Zone Code (sections 1131–1143) provides for operation by the Canal Zone Government of a postal service including money order and postal savings systems. The operations of the Canal Zone Government are required to be discontinued by paragraph 10 of Article III of the Treaty, and the Annex to the Treaty referred to in paragraph 4 of Article III includes postal services as one of the activities that may not be continued by the Panama Canal Commission (Annex, par. 4(a)(XIV)).

Under sections 1137–1139 of title 2, funds received from the issuance of money orders and postal savings certificates may be deposited in the Treasury and deposit any banks or invested in securities of the United States.

Paragraph (a) of section 241 of the bill, discontinues the Canal Zone postal service and provides for payment of the funds of the postal service into the Treasury as miscellaneous receipts. Paragraph (b) of section 241 provides for redemption by the Treasury of the securities acquired by investment of postal service funds and payment of the proceeds into the general fund of the United States.

Paragraph (a) of section 242 provides for the discontinuance of payment of interest on postal savings certificates. Paragraph (b) provides for settlement of postal savings certificate accounts maintained in the names of deceased depositors, minors and persons under legal disability. The provisions of this paragraph are based on 39 USC 5226 (P.L. 89–377, March 28, 1966. 80 Stat 96), providing for settlement of discontinued postal savings accounts by the U.S. Postal Service.

Section 243 provides for settlement and payment of the accounts of the discontinued Canal Zone postal service by the Panama Canal Commission and authorizes payment of the obligations of the postal service from funds appropriated to the Commission.

Section 244 continues the provisions of 2 CZ Code 1142 barring payment of money orders 20 years after the date of issue.

Section 245, based on section 341(d) of the Executive Branch draft, provides for delivery of mail addressed to the Canal Zone through military post offices in the Republic of Panama, and authorizes the Commission to furnish personnel, records and other services to military post offices whenever appropriate for the handling of such mail.

Section 341 of the Executive Branch draft discontinues the Canal Zone postal service but provides that the Commission will continue to administer the funds of the postal service under the provisions of chapter 73 of title 2 of the Canal Zone Code. Conforming amendments in the provisions of U.S. Code referring to the Canal Zone that would be effected by section 341(e) of the Executive Branch draft are included in section 1611 of this bill.

Subchapter V—Accounts with Republic of Panama

Section 250. Payments to Panama. Paragraph (a) authorizes the Panama Canal Commission to pay the Republic of Panama from appropriations for that purpose payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Treaty. This provision reflects the requirement of Article I, section 9, clause 7 of the Constitution, and the uniform practice of this Government recognizing the necessity of appropriations for treaty payments, including the payments made to the Republic of Panama under previous treaties.

Paragraph (b), with certain changes, establishes the basis for payments to Panama under paragraph 4(c) of the Treaty providing for the annual payment to Panama of an amount of up to $10 million per year to the extent that Canal operating revenues exceed expenditures of the Panama Canal Commission, including amounts paid pursuant to the Treaty. The Treaty further provides that in the event Canal operating revenues "in any year" do not produce a surplus sufficient to cover this payment, the unpaid balance is to be paid from "operating surpluses" in future years.

Paragraph (b) of section 250 defines expenditures for purpose of this payment by reference to the expenses of operation required by section 234 to be shown in the accounts of the Commission.

Section 250(b) and section 234 of the bill include the categories of expense enumerated in section 203(a) of the Executive Branch draft, with the addition of interest, depreciation, and amortization of use rights, but without the provision for including as an expenditure recoveries from tolls in excess of expenses in the first part of the period projected for continuance of a newly established rate of tolls.

Both this section 250(b) and section 203 (a) of the Executive Branch draft include as an expense of a given year accumulative amounts of losses in prior years.

Section 251. Transactions with the Republic of Panama. This section authorizes the Panama Canal Commission to provide to the Republic of Panama materials, supplies, equipment, work or services, including water and electric power at rates agreed upon by the Commission and the Republic of Panama. The section further provides that payment for such materials, supplies, equipment, work or services may be effected by direct payment to the Commission or by offset against amounts due to the Republic of Panama by the United States.

This section expands the scope of section 234 of title 2 of the Canal Zone Code that now provides for the sale of potable water to Panama by the Panama Canal Company at rates agreed on by the United States and Panama. Section 212(d) of the Executive Branch draft amends section 234 by substituting the Commission for the Panama Canal Company without further changes in the section.

Section 252. Disaster Relief. This section continues the provisions of section 235 of title 2 of the Canal Zone Code with appropriate changes in terminology to reflect the jurisdictional and organizational changes effected by the Treaty and other provisions of this bill.

Chapter 7. Claims for Injuries to Persons and Property

Subchapter I—General Provisions

Section 271. Settlement of Claims Generally. Paragraph (a) of Section 271 provides authority to the Panama Canal Commission for settlement of claims generally, subject to the other provisions of this chapter. Authority for settlement of vessel accident claims is covered in detail in subchapter II. The scope of the section is generally comparable to that of 2 CZ Code 271, as amended by the Act of January 2, 1975 (88 Stat. 1973).

Paragraph (b) limits the authority of the Commission to settlement of claims of $60,000 or less, the limit made applicable to claims for vessel accidents outside the locks when the canal was operated by a noncorporate agency. The history of this limitation as shown in the analysis of section 292, *infra*.

Paragraph (c) provides for payments of awards made to claimants out of moneys appropriated for or made available to the Commission, and provides that the acceptance of the award is final and conclusive and constitutes a release of any claim against the United States or any employees of the United States arising out of the matter involved in the claim. This paragraph generally follows the language of paragraph (b) of 2 CZ Code 271, as amended.

Paragraph (d) expressly precludes any action against the United States or any officer or employee of the United States on claims cognizable under this chapter except for the consent to suit against the United States on

claims for accidents in the locks authorized by section 296.

Subchapter II—Vessel Damage Claims

Section 291. Injuries in locks of Canal. This section continues the present provisions of 2 CZ Code 291 with appropriate changes in termminology to reflect the organizational changes resulting from the treaty and other provisions of the bill. The section also incorporates the amendment included in section 260(d)(2) of the Executive Branch draft changing the phrase "Damages may not be allowed and paid for injuries to any protrusion beyond the side of a vessel . . ." to read "Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel . . ." This amendment appears to be desirable in view of the obvious purpose of the provision and a decision by the U.S. District Court for the Canal Zone that the present language limits the exception to protrusions beyond the amidships section of the vessel and that the entire hull cannot be considered the "side" of the vessel. (*United Fruit Company* v. *Panama Canal Co.*, D.C.C.Z. 1965, 243 F. Supp. 410.)

Section 260(d)(2) of the Executive Branch draft amends section 291 of title 2 of the Canal Zone Code to condition the payment of damages for injuries to vessels in the locks on negligence of employees of the Commission—the rule now prevailing in the case of injuries to vessels outside the locks. The present provisions of section 291 for payment of damages for injuries in the locks subject only to reduction in proportion to negligence or fault attributable to the vessel, master, crew or passengers was originally enacted in section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) and have been in effect continuously since that time. The basis for the rule is that the ship, while in the locks, is within the exclusive control of the employees of the agency operating the Canal, except to the extent that the ship's engines are used at the direction of such employees. Under the proposed language of the Executive Branch draft, proof that the injuries did not result from the negligence or fault of employees of the Commission would relieve the Commission (and hence the United States) of liability.

Section 292. Injuries outside locks. This section reenacts section 292 of title 2 of the Canal Zone Code with appropriate changes in terminology and with an amendment which limits the authority of the Commission to adjust and pay claims for vessel damage outside the locks to claims not in excess of $60,000, corresponding to the limit previously applicable to the authority of the Panama Canal to settle such claims.

Under sec. 5 of the Panama Canal Act of Aug. 24, 1912 (37 Stat. 562) the authority of the agency operating the Canal (known as the Panama Canal) was limited to claims for injuries occurring in the locks. This provision was carried into section 10 of title 2 of the Canal Zone Code (1934 ed.) but in 1940 the section was amended to authorize adjustment and payment of claims for not more than $60,000 for injuries occurring outside the locks caused by negligence on the part of any employee of the Panama Canal. Claims for more than $60,000 were required to be submitted to Congress by a special report containing the material facts and the recommendation of the Governor of the Panama Canal, the executive head of the agency (Act of June 13, 1940, 54 Stat. 387).

When operation of the Canal was transferred to the Panama Canal Company in 1951, section 10 of title 2 of the Canal Zone Code was amended to eliminate the $60,000 limitation previously applicable to settlement of claims for vessel damage outside the locks (Act Sept. 26, 1950, 64 Stat. 1039). This provision was incorporated in section 292 of the Canal Zone Code when the Code was revised in 1962.

Sections 292 and 295 of the bill would restore the $60,000 limitation on the authority of the agency to make settlements of claims for vessel damage outside the locks. Under section 295 claims for more than $60,000 would be submitted to the Congress for consideration.

Section 293. Measure of damages generally. This section would reenact the provisions of paragraph (c) of C.Z. Code 293, as added by the Act of September 26, 1950 (64 Stat. 1039), the legislation that transferred responsibility for operation of the Canal to the Panama Canal Company. Prior to 1950, the provisions of this section were contained in Rules 94 and 95 of Executive Order 4314 of September 25, 1925, prescribing rules for navigation of the Canal pursuant to authority vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562), subsequently incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.) and now found in 2 C.Z. Code 1331.

This section has been construed by the U.S. Court of Appeals for the 5th Circuit as establishing rules for recovery of damages substantially parallel to that accorded by general maritime law. *Gulf Oil Corp.* v. *Panama Canal Company*, 481 F. 2d 561 (5th Cir. 1973).

Section 260(e) of the Executive Branch draft would amend 2 C.Z. Code 293 by restricting the damages recoverable in certain relatively minor respects in accordance with administrative construction of the present language which the Court of Appeals refused to follow in the Gulf Oil case.

Section 294. Delays for which no responsibility assumed. This section reenacts the provisions of 2 C.Z. Code 294 as added by section 3 of the Act of September 26, 1950 (64 Stat. 1039), which incorporated into the law the provisions of Rule 96 of Executive Order 4314 of September 25, 1925, prescribing rules for the navigation of the Canal pursuant to authority vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562), subsequently incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.) and now found in 2 C.Z. Code 1331.

Section 260(f) of the Executive Branch draft amends 2 C.Z. Code 294 by adding a new provision excluding liability for delays caused by "time necessary for investigation of marine accidents." Inasmuch as the section applies only when the investigation has established that the vessel accident is the responsibility of the Commission, as the agency of the United States operating the Canal, it is difficult to follow the rationale of exclusion of this element of the damage from reimbursement by the United States.

Section 295. Settlement of claims. This section is based on the provisions of the second paragraph of section 10 of title 2 of the Canal Zone Code (1934 ed.) as amended by the Act of June 13, 1940 (54 Stat. 387). When operation of the waterway was transferred to the corporate agency called the Panama Canal Company, this section was amended to eliminate the $60,000 limitation on the authority of the agency to settle claims for injuries occurring outside the locks, and the provision for payment of the amount of the settlement out of funds appropriated to the agency (Act, Sept. 26, 1950, sec. 3 (64 Stat. 1039), 2 C.Z. 295).

This section and section 292 restore these provisions. Claims for more than $60,000 for damage occurring outside the locks are required to be submitted to Congress for disposition as provided in the 1940 legislation.

Section 296. Actions on Claims. Inasmuch as under the Treaty and the provisions of this bill the United States operates the Canal through one of its government agencies, actions against the United States or the agency operating the Canal for damage to vessels using the Canal are precluded except to the extent the United States consents to be sued. (*Lonergan* v. *United States*, 303 U.S. 33 1938); *Compagnie Generale Transatlantique* v. *Governor of the Panama Canal* 90 F. 2d 225 (C.C.A. 5th, 1934).

In the corporate charter enacted by Congress listing the powers of the Panama Railroad Company as a government corporation, Congress continued the corporation's amenability to suit generally. (Act June 29, 1948, sec. 2 (62 Stat. 1076); 2 C.Z. Code 65.) This consent to suit against the government corporation did not in any way involve suits for damage to vessels using the Canal which was operated by a different agency (the Panama Canal) and remedies for damage to vessels in the Canal were confined to those provided by 2 C.Z. Code 10 (1934 ed.) as amended by the Act of June 13, 1940 (54 Stat. 387).

The Federal Tort Claims Act of 1946 continued authority in Federal agencies to settle tort claims for $1,000 or less and authorized suit against the United States in such claims (Act of August 2, 1946, secs. 403, 410 (60 Stat. 843), 28 U.S.C., 1940 ed., secs. 921, 931).

The Act applied to tort claims against the Panama Canal agency generally, but section 421 of the 1946 tort claims law made the Act inapplicable to "(g) any claim arising from injury to vessels, or to the cargo, crew, or passengers of vessels which passing through the locks of the Panama Canal or while in Canal Zone waters". (28 USC, 1940 ed. 943)

In 1949 Congress made the Federal Tort Claims Act inapplicable to claims arising from the activities of the Panama Railroad Company (Act July 16, 1949 (63 Stat. 444), 28 USC 2680). This exemption had nothing to do with claims for damage to vessels in the Panama Canal which were governed by 2 U.S.C. 10, and excluded from the Federal Tort Claims Act by 28 USC, 1940 ed. 943, as noted above.

When the Act of September 26, 1950 transferred the operation of the waterway to the Panama Railroad Company (under its new name "Panama Canal Company") and changed the name of the government agency previously known as the Panama Canal to the "Canal Zone Government" the Federal Tort Claims Act remained applicable to the Canal Zone Government, but the provision of the Tort Claims Act excluding from the coverage of that Act claims for damage to vessels in the Panama Canal was repealed by the 1950 legislation, in view of the general exclusion from the Tort Claims Act of any claims arising from the activities of the Panama Railroad Company (renamed the Panama Canal Company (Act Sept. 26, 1950, sec. 13, 64 Stat. 1042).

As explained in the sectional analysis of the 1950 legislation submitted with the draft bill by the Governor of the Panama Canal, "This subparagraph [28 USC 1940, ed. 2680 (g)] is being listed for repeal because, with the transfer of canal operation to the corporation these claims will run against the corporation; and all claims against the corporation are excluded from the Federal Tort Claims Procedure by subparagraph (m) of section 2680, as added by the Act of July 16, 1949 (Public Law 172, 81st Cong.), which excepts any claim arising from the activities of the Panama Railroad Company (Panama Canal Company)". [Hearings, Subcommittee on Panama Canal, Committee on Merchant Marine and Fisheries, House of Representatives, 81st Congress, 2nd Session on H.R. 8677, p. 22.]

In view of this background, section 296 follows generally the provisions of the 1940 amendment of 2 C.Z. Code (1934 ed.) sec. 10, limiting consent to suit on vessel accident claims to those based on injuries occurring in the locks. Venne of such actions in the U.S. District Court for the Eastern District of Louisiana, since under the 1977 Treaty and title 4 of this bill the District Court for the

Canal Zone will no longer exercise civil jurisdiction in new cases. Actions brought under section 296 are to be tried to the court and are to proceed and be heard in accordance with the principles of law and rules of practice applicable between like cases between private parties and other agencies of the Government. As in the 1940 legislation, any judgment obtained in such an action is payable out of moneys appropriated or allotted for maintenance and operation of the Panama Canal.

The last paragraph of section 296 is based on the concluding provision of the 1940 amendment of 2 C.Z. Code (1940 ed.) sec. 10 now incorporated in the next to the last paragraph of 2 C.Z. Code 296.

Section 260(g) of the Executive Branch draft continues the provisions of 2 C.Z. Code 296, providing for actions on vessel damage claims arising outside the locks as well as those arising in the locks.

Section 297. Investigation of accident or injury giving rise to claim. This section continues the provisions of 2 C.Z. Code 297 with appropriate changes in terminology required by the geographic and organizational changes made by the treaty and other provisions of this bill.

Section 260(h) of the Executive Branch draft adds a provision to section 296 that lack of knowledge that an accident giving rise to a claim has occurred "does not exclude noncompliance with the requirements of this section." This provision reflects a construction of the language of the present section unsuccessfully urged on the Court of Appeals for the 5th Circuit in litigation involving a claim for damage that occurred in the Canal Zone but was not discovered until after the vessel left the Canal Zone. (*Gulf Oil Corp.* v. *Panama Canal Company*, 407 F. 2d 24 [C.A. 5, 1969]).

Sec. 298. Board of Local Inspectors. This section continues the Board of Local Inspectors for investigation of claims arising out of accidents to vessels using the canal and the performance of such other duties as may be assigned to the Board. The Board of Local Inspectors was originally established by Executive Order of the President in 1909 and, pursuant to authority vested in the President by the Panama Canal Act of August 24, 1914, to prescribe regulations governing operation of the canal (incorporated in section 701 of this bill), since 1915 the Board has been charged with responsibility for investigation of accidents to vessels using the canal.

Section 298 authorizes the Board to summon witnesses, administer oaths and require the production of books and papers necessary to the investigation of claims for vessel accidents. These powers are currently conferred on the Board, along with other Boards and officers, by 2 C.Z. Code §§ 1101 and 1102, repealed by section 1611 of this bill.

Chapter 9—Public Property

The key element in this chapter is the provision of Article IV, section 3, clause 2 of the Constitution providing:

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; . . ."

The meaning and effect of this provision of the Constitution was the subject of extensive discussion and debate during the consideration by the Senate of the 1977 treaties. See, for example, Hearings Before the Committee on Merchant Marine and Fisheries, House of Representatives, 95th Congress, 2d Session, Serial No. 95–32, "Power of Congress to Dispose of U.S. Property."

Section 371. Assets and Liabilities of Panama Canal Company. This section provides that all property and other assets of the Panama Canal Company shall revert to the United States on the effective date of the Act and that the United States generally assumes the liabilities of the Company at that time.

Although the United States Government, as sole owner of the corporate agency named the Panama Canal Company, is the beneficial owner of all property of the corporation, the Panama Railroad as a private corporation created by the State of New York had acquired certain property interests that the corporation owned at the time of acquisition of the stock in the corporation by the United States. For example, the Panama Railroad had acquired extensive rights in real property on the Isthmus of Panama, and in addition it owned the railroad across the Isthmus of Panama, ocean-going ships operated between the United States and the Isthmus of Panama, and extensive personal property. See Annual Report, Panama Railroad Company, 1951; *New York ex rel. Rogers* v. *Graves*, 299 US 401.

In successive acts of Congress involving the status of the Panama Railroad Company and its successor, the Panama Canal Company, this property has been treated as if it were the separate property of the corporation. For example, Section 2 of Public Law 808, 80th Congress, approved June 29, 1948 (62 Stat. 1076), incorporating the Panama Railroad Company added a new section 251 to title 2 of the Canal Zone Code (1934 ed.) reading as follows:

"251. TAKING OVER OF ASSETS AND LIABILITIES OF, AND DISSOLUTION OF, NEW YORK COMPANY; RELEASE OF UNITED STATES TREATY RIGHTS IN ASSETS.—The corporation is authorized and directed to take over the assets and assume the liabilities of the New York company as of July 1, 1948. To accomplish the transfer of such assets to, and the assumption of such liabilities by, the corporation, and to accomplish the dissolution of the New York company, the two corporations are authorized and directed to take, under the supervision of the stockholder, whatever action shall be determined to be appropriate and necessary, whether by agreement, transfer, merger, consolidation, dissolution, or otherwise. Effective upon the transfer of such assets and the assumption of such liabilities, there are hereby released and transferred to the corporation all the right, title, and interest, in and to such assets, which the United States now has or may hereafter acquire by virtue of the convention of November 18, 1903, between the United States and the Republic of Panama; and, specifically, there are hereby released to the corporation any and all reversionary rights of the United States in the lands of the corporation located in the cities of Panama and Colon, Republic of Panama."

Section 10 of Public Law 841, 81st Congress, transferring the responsibility for operation of the waterway to the corporation added a new section numbered 256 in title 2 of the Canal Zone Code (1934 ed.), reading as follows:

"256. AUTHORIZATION FOR TRANSFER OF PANAMA CANAL TO CORPORTATION.—The President is hereby authorized to transfer to the corportation the Panama Canal, together with the facilities and appurtenances related thereto, and any or all of the facilities and appurtenances heretofore maintained and operated by the Panama Canal under authority of section 51 of title 2 of the Canal Zone Code, as amended by section 2 of the Act of August 12, 1949 (ch. 422, 63 Stat. 601), and all or so much as he may determine to be necessary of the personnel, property, records, related assets, contracts, obligations, and liabilities of or appertaining to the said Canal and the aforesaid facilities or appurtenances, and such transfer shall be deemed to have been accepted and assumed by the corporation without the necessity of any act or acts on the part of the corporation except as otherwise stipulated in the provisions of section 246 of this title."

The quoted provisions of the 1948 and 1950 acts are reflected in the current edition of the Canal Zone Code in section 68 to title 2, reading as follows:

§ 68. Rights in assets taken over upon dissolution of Panama Railroad Company; liabilities

"(a) The Panama Canal Company shall possess all the right, title, and interest in and to the assets taken over, as of July 1, 1948, from the Panama Railroad Company, since dissolved, which the United States then possessed or, by virtue of the convention of November 18, 1903, between the United States and the Republic of Panama, thereafter acquired or may hereafter acquire, and which, pursuant to law, were released and transferred, as of July 1, 1948, to the Company.

"(b) Subsection (a) of this section does not apply to any right, title, or interest transferred or conveyed to the Republic of Panama after July 1, 1948, under applicable provisions of law or of any convention or treaty.

"(c) The Company is responsible for the payment and discharge of all remaining liabilities of the Panama Railroad Company, which, as authorized by law, the Company assumed as of July 1, 1948."

Also indicative of the concept of separate ownership of its assets by the corporate entity, as distinguished from that of its owner (the United States) are certain provisions of section 65(a)(6) of title 2 of the Canal Zone Code authorizing the corporation to acquire and "sell, lease, exchange, money mortgage or otherwise dispose of, and deal in lands, leaseholds, and any interest, estaste, or rights in real, personal or mixed property . . ." and section 62(f) of title 2 commencing: "(f) The Panama Canal Company shall account for its surplus, as follows: . . ."

This bill eliminates any concept of distinction between the United States and the Panama Canal Commission in respect to ownership of the Panama Canal and the assets associated with its maintenance and operation. None of the present provisions of title 2 of the Canal Zone Code tending to indicate separate ownership of such assets by the Commission are continued in effect and section 371 is included to assure that technically the title to all property of the Panama Canal Company is vested in the United States.

A similar provision covering the property of the Canal Zone Government is unnecessary inasmuch as there has never been any indication that that Government agency had an existence separate from that of the United States insofar as concerns property and other assets administered by the agency.

Section 210 of the Executive Branch draft not only perpetuates the appearance of recognition of ownership by the agency of the property and other assets used in the operation of the Canal, but also amends section 68 of title 2 to provide that such property and other assets of the Panama Canal Company and Canal Zone Government, not otherwise disposed of, "shall be the property and assets of the Panama Canal Commission." (emphasis supplied).

The Executive Branch draft extends to the Panama Canal Commission the practically unlimited authority now vested in the Panama Canal Company by 2 C.Z. Code 65(a)(6) to acquire and dispose of property.

Section 372. Transfers and Cross Servicing Between Agencies. Paragraph (a) of this section continues the authority for interagency transfers of property located in Panama now provided by 2 C.Z. Code 372 with appropriate changes in terminology required by the Treaty and other provisions of the bill. Provisions of the existing Code section relating to the valuation of property transferred without exchange of funds are omitted as unnecessary in view of the changes in accounting effected by chapter 7 of the bill.

Paragraph (b) of section 372, based on section 106(b) of the Executive Branch draft, authorizes transfers of records by U.S. Government agencies and Panama to other agencies of the Government or to the Republic of Panama.

Section 213(a) of the Executive Branch bill includes a provision, omitted from this section of the bill, that transfers without exchange of funds are subject to 2 C.Z. Code 62 relating to accounting for the U.S. investment in the Panama Canal Company. Section 372(b) of that draft authorizes cross-servicing agreements between the Panama Canal Company and other government agencies for the use of facilities, furnishing of services or performance of functions. This provision has been omitted from section 372 of this bill as unnecessary in view of the provisions of the Economy Act of 1932, 31 USC 686, authorizing such cross servicing agreements between government agencies generally.

Sec. 373. Disposition of property of the United States. This section is based on the provision of Article IV, Section 3, clause 2 of the Constitution that "The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States; . . ." Article XIII of the 1977 Treaty purports to transfer the right, title and interest of the United States "with respect to all real property" on a time schedule set out in the Treaty beginning on the effective date of the Treaty and concluding on termination of the Treaty when the canal and all remaining property related to operation of the canal is to be transferred. Article V of the Agreement in Implementation of Article III of the Treaty contains detailed provisions in regard to the transfer to Panama of title to the railroad and ports of Balboa and Cristobal under Article XIII of the Treaty.

Notwithstanding the views expressed during consideration of the Treaty that these provisions of the Treaty are self-executing, under the quoted provision of the Constitution the Panama Canal and other property of the United States in the area heretofore known as the Canal Zone can be conveyed only by or pursuant to legislation enacted by the Congress. [For extensive analysis of the constitutional issue see Hearings, Committee on Merchant Marine and Fisheries, 95th Congress, Serial No. 95–32, "Power of Congress to Dispose of U.S. Property."] Even if the Treaty provisions for conveyance of this property were regarded as self-executing, the subsequently enacted provision of section 273 requiring authorization by the Congress for the transfer of the property in question would be controlling. [See The Cherokee Tobacco, 11 Wall. 616 (1870); Head Money Cases, 112 U.S. 580, 598 (1884)]

The Executive branch draft apparently follows the views expressed by the Department of State and Department of Justice at the hearings in regard to the Treaty to the effect that the Treaty provisions for transfer of property are self-executing (Hearings, Serial No. 95–32, *supra*, pp. 45–100, *passim*) and no provision is made in that draft to provide Congressional authority for such transfers.

Sec. 374. Transfer of property to Panama. This section authorizes the transfer to Panama of the property which the United States has undertaken by Article XIII of the Treaty to transfer on the effective date of the Treaty, viz, "the Panama Railroad and such property that was located in the former Canal Zone but is not within the land and water areas the use of which is made available to the United States of America pursuant to this treaty."

The second sentence of the section excluding from the transfer buildings and other facilities, except housing, the use of which is retained by the United States, outside the areas made available for use of the United States, is based on the final section of paragraph 2(a) of Article XIII of the Treaty. Such facilities and installations are described generally in paragraph 3 of Article III of the Agreement in Implementation of Article II of the Panama Canal Treaty (Department of State, Selected Documents, No. 6B, p. 2) and more specifically in paragraph 3 of Annex A to that Agreement (Selected Documents, No. 6B, p. 21).

The areas and installations now in the Canal Zone that are made available by the Treaty for use by the United States are described in paragraph 1 of Annex A to the Agreement in Implementation of Article III of the Panama Canal Treaty (see Document No. 6,B p. 17); the boundaries of the parts of Balboa and Cristobal are described in Annex B of the Agreement (*Ibid*, p. 22); and the accessory facilities and instalations outside the areas made available for use by the United States which the United States may continue to use are described in paragraph 3 of Annex A to the Agreement (Ibid, p. 21).

The real property that Article XIII of the Treaty transfers to Panama on the effective date of the Treaty can be definitely identified only by comparison of the area described in the Treaty as those made available for use by the United States with the present area of the Canal Zone defined by the Boundary Convention between the United States and Panama, signed October 22, 1914 (38 Stat. 1893) as modified by the convention, regarding the Colon Corridor and certain other corridors signed May 24, 1950 (TIAS 3180), and by Articles VI and VII of the Treaty between the United States and Panama signed January 25, 1955 (TIAS 3297), all of which are abrogated by paragraph 1(c) of Article I of the Panama Canal Treaty. See Agreed Minute to the Panama Canal Treaty (Sel. Docs., No. 6C, pp. 49–50).

Chapter 10—Tolls for Use of Canal

Chapter 10 incorporates the subject matter of the present provisions of sections 411 and 412 of title 2 of tne Canal Zone Code concerning the prescription of rates of tolls and the bases of such tolls (Secs. 411 and 412). In addition, the chapter includes new provisions on the procedures to be followed in changing rates of tolls and measurement rules (Sec. 413), and authorizes an interim adjustment in tolls rates in anticipation of changes in financial results of operation after the effective date of the Treaty (Sec. 414).

* * * * *

Sec. 411. Prescription of measurement rules and rates of tolls. Paragraph (a) of section 411 authorizes the President to prescribe and change rates of tolls for use of the canal and rules for the measurement of vessels for the Panama Canal on which tolls are based. This authority was vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 560) until the authority was transferred to the Panama Canal Company subject to final approval by the President, by the Act of September 26, 1950 (64 Stat. 1042). Under the basic authority of the Panama Canal Act, subsequently codified in sections 411 and 412 of the Canal Zone Code (1934 ed.), the President prescribed the rates of tolls and measurement rules by Proclamation or Executive Order. [Proc. 1225 of Nov. 13, 1912; Proc. 2247 of Aug. 25, 1937 (tolls); Proc. 1258 of Nov. 21, 1913; Proc. 2248 of Aug. 28, 1937 (measurement rules).] Restoration of the President's authority to prescribe tolls and measurement rules is consistent with the concept of this bill that the United States will operate the canal through a noncorporate agency similar to that used for the purpose before enactment of the 1950 legislation.

Paragraph (b) of section 411 continues in effect the existing measurement rules and rates of tolls until changed in accordance with the provisions of this chapter.

Section 230 of the Executive Branch draft amends 2 CZ Code 411 to continue in the Commission the present authority of the Panama Canal Company to prescribe tolls and measurement rules, but changes the period of notice of changes from six months as now provided in the section to three months. The period of notice for changes in tolls and measurement rules is one of the subjects coverd by section 413 of this bill prescribing procedures for such changes.

Sec. 412. Bases of tolls. Paragraph (a) of this section reenacts without change the language of 2 CZ Code 412(a) which in turn is based on the Act of August 24, 1937 (50 Stat. 750). The effect of this paragraph is to continue the Panama Canal measurement ton of 100 cubic feet of earning capacity as the basis for assessing tolls on vessels susceptible of measurement in that manner, and displacement tonnage as the basis for assessing tolls on war ships and other floating craft not susceptible of measurement in terms of tonnage of earning capacity. The paragraph also continues authority for lower tolls for vessels in ballast in comparison to laden vessels, without prescribing any limitation on such differentiation.

Paragraph (b) of section 412 prescribes the formula for calculating rates of tolls following the format of 2 CZ Code 412(b) in its present form, but add to the elements of cost to be recovered from tolls (1) amortization of the investment of the United States in the canal; (2) payments to Panama under the 1977 Treaty, except the "contingent payment" under paragraph 4(c) of Article XIII; and (3) capital requirements for plant replacement, expansion and improvements. The paragraph continues the requirement of the present section for inclusion of interest as one of the elements of cost to be recovered from tolls. See Reservation No. 6, incorporated in the Senate resolution of ratification of the Panama Canal Treaty.

Paragraph (c) of section 412 continues the provision of the present law authorizing the President to require U.S. Government vessels and state operated training ships to pay tolls. The second sentence of the paragraph provides that if such ships are not required to pay tolls, the amount of the tolls is to be computed and treated as canal revenues for purposes of prescribing rates of tolls and calculatnig the payment to Panama under paragraph 4(a) of Article XIII of the Treaty, and section 250 of the bill. The latter provison is new.

Paragraph (d) is a revision of 2 CZ Code 412(d) to conform the language of the Treaty to the new treaty relationship with Panama by eliminating references to the treaties abrogated by the 1977 Treaty and substituting references to the new treaties.

Paragraph (e) reenacts the provision of 2 CZ Code 412(e) excluding interest during construction from capital investment for interest purposes in the calculation of tolls. This provision was added to the tolls formula by section 12 of the Act of September 26, 1950 (64 Stat. 1042) in recognition of the value of the canal to the United States Government apart from its value to commercial users. See H. Rept. No. 2935, 81st Cong., 2nd Sess, p. 5.

Section 232(a) of the Executive Branch draft substantially revises the tolls formula now provided by 2 CZ Code 412(b). The revised tolls formula eliminates interest as an element of cost to be recovered from tolls, but includes new elements, including (1) "amortization of use rights;" (2) "unrecovered past costs;" (3) capital reserve funds; and (4) funds necessary to establish reserves "for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect."

Sec. 413. Procedures. This section establishes procedures to be followed in effecting

changes in measurement rules and tolls. 2 CZ Code 411 now requires six months' notice of proposed changes in rules of measurement or rates of tolls, during which period a "public hearing" is required. The requirement of six months' notice first appeared in section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) authorizing the President to prescribe and change rates of tolls with the proviso that tolls, when prescribed, should not be changed, "unless six months' notice thereof shall have been given by the President by Proclamation." There was no requirement in the 1912 Act for nature of changes in measurement rules and no requirement for a public hearing as a part of the procedure for changing rates of tolls. In 1934, the authority of the President to change rates of tolls after six months' notice and the provisions in reference to the measurement of vessels for tolls purposes were reenacted in sections 411 and 412 of title 2 of the Canal Zone Code. In 1937, the provisions of 2 CZ Code 412 were amended to provide for payment of tolls on the basis of net vessel tonnage determined in accordance with measurement rules prescribed by the President "as may be modified by him from time to time by Proclamation" with the proviso that the basic measurement rules could not be changed "except after public hearing and six months' public notice of such change." (50 Stat. 750) As a result, after the 1937 legislation changes in rates of tolls by the President required six months' notice but not a public hearing, while changes in measurement rules required six months' notice and a public hearing.

In 1946, Congress enacted the Administrative Procedures Act (60 Stat. 238) applicable to government agencies generally for the purpose, among others, of providing for public participation in the rule making process as defined to include the prescription of rates and practices bearing thereon. Section 4 of the 1946 Act setting up the procedures for rule making, now codified in 5 USC 553, expressly excludes matters relating to public property and, the Attorney General has held that this exclusion applies to proceedings to change Panama Canal tolls and measurement rules.

In 1950, when the authority to change rates of tolls and measurement rules was transferred from the President to the Panama Canal Company, subject to approval by the President, the requirement for six months' notice and a public hearing was made applicable to changes in tolls as well as changes in measurement rules. (Act Sept. 26, 1950, Sec. 11, 64 Stat. 1042)

In 1974, the Panama Canal Company adopted administrative rules applicable to the procedures for changing tolls and measurement rules that are based on and consistent with the rule making provisions of the Administrative Procedure Act (35 CFR 70.1–70.5) and the requirements of 2 CZ Code 411 for six months' notice and a public hearing.

Sec. 413 of this bill adopts procedures for changing tolls and measurement rules that are generally consistent with applicable provisions of the Administrative Procedures Act (as codified in title 5 of the U.S. Code). Paragraph (a) of section 413 provides for initiation of the proceeding to change rates of tolls or measurement rules by notice of the proposed changes published by the Panama Canal Commission in the Federal Register. The Commission is required simultaneously to make available the financial data justifying the proposed changes, to give interested parties an opportunity to prevent written data, views or arguments, and to hold a public hearing not less than 30 days after publication of the notice.

Paragraph (b) of section 413, permits the Commission to revise the proposed measurement rules or rates of tolls after consideration of relevant matter presented after the initiation of the proceeding, but if rates of tolls higher than those originally proposed are deemed necessary, a new analysis of the proposed rates is required and, in effect, the proceedings must be recommended with a new notice in the Federal Register giving interested parties the opportunity to participate further in the proceedings and a new hearing is required not less than 30 days after the date of publication of the new notice.

Under paragraph (c), when, after consideration of relevant matter presented, the Commission finds that the proposed measurement rules or rates of tolls meet the requirements of the applicable statutes, the Commission is required to publish in the Federal Register a notice of the proposed changes to be recommended to the President.

Paragraph (d) provides that after the notice required by paragraph (c), the record of the proceeding and recommendation of the Commission be forwarded to the President who may approve, disapprove or modify the proposed measurement rules or rates of tolls recommended by the Commission.

Under paragraph (e) the changes in the measurement rules or rates of tolls take effect on the date prescribed by the President, not less than 30 days after publication of notice in the Federal Register.

Paragraph (f) of section 413 provides for judicial review of changes in measurement rules or rates of tolls in accordance with the provisions of the Administrative Procedures Act codified in chapter 7 of title 5 of the U.S. Code.

Section 230 of the Executive Branch draft amends 2 CZ Code 411 to reduce the period of notice for changes in measurement rules or rates of tolls from six months to three months without provision for other procedural changes.

Sec. 414. Interim toll adjustment. This section would authorize the Panama Canal Company to initiate changes in rates of tolls calculated to cover the cost of maintaining and operating the canal through the first fiscal year following the effective date of the Act. Under paragraph (d) the tolls formula and procedures that would be applicable after the Treaty goes into effect would apply to the interim proceeding. Under paragraph (b) of the section, if the proceedings under the section are not completed before the effective date of the Treaty, the proposal and all proceedings thereon will be treated as the proposal of the Commission.

Under paragraph (c), the section becomes effective immediately upon enactment.

Section 231 of the Executive Branch draft authorizes the Panama Canal Company to change the rates of tolls in order to insure that such rates are adequate to meet the requirements of 2 CZ Code 412 (as provided in that draft) on the effective date of the Treaty. The only procedure requirements laid down by section 231 of the Executive Branch draft are provisions for three months' notice "if and to the extent time permits" during which period a public hearing shall be conducted.

Part 2—Regulation

Under Article III of the 1903 Treaty between the United States and Panama, the United States was granted all the rights, power and authority within the Canal Zone that the United States would possess "if it were the sovereign of the territory." In the exercise of that authority, the Congress enacted the Panama Canal Act of August 24, 1912, authorizing the President to govern the Canal Zone (Sec. 4) and prescribe regulations governing the operation of the canal and the passage and control of vessels through the canal (Sec. 5). This regulatory authority, as supplemented by subsequent enactments usually authorizing regulations on specific subjects, was incorporated in various sections of the Canal Zone Code (1934 ed.). In 1950, when responsibility for operation of the canal was transferred by Congress to the Panama Canal Company, that agency assumed the authority theretofore vested in the President to prescribe regulations governing the operation of the canal (Act Sept. 26, 1950, 64 Stat. 1038, 1049).

In the revision of the Canal Zone Code in 1962, provisions specifically authorizing regulations on various subjects, including those associated with the Government of the Canal Zone, were generally consolidated in part 2 of title 2, although provisions conferring regulatory authority are found in numerous other provisions of the title.

The 1977 Panama Canal Treaty abrogates the 1903 Treaty (Act I), but grants to the United States "the rights necessary to regulate the transit of ships through the canal" (Art. I, par. 2), to "make and enforce all rules pertaining to the passage of vessels through the canal and other rules and regulations with respect to navigation and maritime matters" [Art. III, par. 2(c)]; "regulate relation swith employees of the United States Government" [Art. III, par. 2(e)]; and "issue and enforce regulations for the effective exercise of the rights and responsibilities of the United States of America under this Treaty and related Agreements" [Art. III, par. 2(g)].

On the other hand, under par. 1 of Article IX of the Treaty, the law of Panama applies in the areas made available for use by the United States under the Treaty, although par. 8 of Article IX provides that "The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation or international agreement or take any other action which purports to regulate or would otherwies interfere with the exercise on the part of the United States of America of any right granted under this Treaty or related agreements." Article XI of the Treaty provides that the Republic of Panama shall reassume plenary jurisdiction over the Canal Zone, although in certain areas and for certain purposes the criminal and civil laws of the United States will apply concurrently with those of Panama for a transition period of 30 months.

Paragraph 7 of Article XI provides that "The laws, regulations and administrative authority of the United States of America applicable in the former Canal Zone immediately prior to the entry into force of this Treaty, shall, to the extent not inconsistent with this Treaty and related agreements, continue in force for the purpose of exercise by the United States of America of law enforcement and judicial jurisdiction only during the transition period. The United States of America may amend, repeal, or otherwise change such laws, regulations and administrative authority. . ."

This bill, following the organization of title 2 of the Canal Zone Code incorporates in part 2 regulatory provisions not covered in the other provisions of title 2. Authority to regulate based on the right to exercise the powers of sovereignty over the territory incorporated in the Canal Zone under the 1903 Treaty has been eliminated. Part 2 in this bill consists of two chapters, headed respectively "General Regulations" and "Shipping and Navigation."

Chapter 11. General Regulations

Section 701. Authority of President. This section authorizes the President to issue regulations applicable within the areas and installations made available to the United States for operation and protection of the canal on the following subjects that are considered to have a reasonable relation to the exercise of the rights granted to the United States by the Treaty:

1. Use of aircraft. Although the present provisions of 2 CZ Code 701, authorizing the President to issue regulations governing aircraft and aeronautical activities in the Canal Zone are based on a Congressional declaration of sovereign rights in the air space over

the Canal Zone no longer applicable under the 1977 Treaty, certain aspects of the use of aircraft in the Canal Zone are obviously directly related to the operation and protection of the canal and hence within the regulatory authority of the United States under the Treaty.

2. Possession and use of alcoholic beverages. The possession and use of alcoholic beverages in the areas used for operation and protection of the canal by persons either engaged in such operations or permitted to be within such areas are matters directly affecting the operation and protection of the canal and, as such, subject to the regulatory authority of the United States. Authority for issuance of regulations in this subject is now incorporated in 2 CZ Code 731, 732.

3. Exclusion and removal of persons. The efficient operation of the canal and the protection of the canal make necessary the regulation of entry into such areas and the right to remain therein. 2 CZ Code 841–843 authorizes the President to issue regulations on the entry of persons into the Canal Zone and deportation from the Canal Zone, based generally on the powers of the United States under Article III of the 1903 Treaty, but this section provides a narrower authority consistent with the provisions of the 1977 Treaty.

4. Health and sanitation. The issuance of regulations covering health of employees and sanitation of the areas made available for operation and protection of the canal is directly related to the successful accomplishment of those activities and hence within the regulatory authority sanctioned by the Treaty. Authority under present law is provided in 2 CZ Code 911.

Sec. 702. Authority of Commission. This section authorizes the Panama Canal Commission to prescribe regulations applicable within the areas and installations made available to the United States for operation and protection of the canal. The regulations authorized by the section relate directly to the exercise of the rights and responsibilities of the United States under the 1977 Treaty covering the following subjects (the Canal Zone Code reference for existing authority is shown in parenthesis following each entry):

1. the keeping and impounding of domestic animals (2 CZ Code 811).
2. fire prevention (2 CZ Code 931).
3. sale or use of fireworks (2 CZ Code 951).
4. use of roads and highways (2 CZ Code 1001).
5. photographing of areas, objects, installations or structures (2 CZ Code 1051).
6. swimming in the Panama Canal and adjacent waters (2 CZ Code 1411).
7. protection of wildlife, hunting and fishing (2 CZ Code 1471–1474; 1491).

Chapter 13—Shipping and Navigation

Subchapter 1—Operation of canal

Sec. 1331. Operating regulations. This section is based on section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) as amended and incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.), with changes in terminology required by the 1977 Treaty. As indicated above, the 1977 Treaty expressly authorizes the United States to issue and enforce regulations on these subjects [Art I, par. 2; Art III, par. 2 (c) and (d)]. The section is substantially the equivalent of the present provisions of 2 CZ Code 1331, with the addition of the operation of the canal as one of the subject matters of regulations authorized by the section. This restores to the President the regulatory authority transferred to the Panama Canal Company by the Act of September 26, 1950 (64 Stat. 1042) See 2 CZ Code 66 (a)(1).

Section 211 of the Executive Branch draft would amend 2 CZ Code 1331 by transferring the regulatory authority provided by the section from the President to the Panama Canal Commission. Regulations governing operation of the canal are not included, presumably on the assumption that such authority would continue under 2 CZ Code 66(a)(1).

Subchapter II—Inspection of vessels

Sec. 1351. Vessels subject to inspection. This section, based on 2 CZ Code 1351, provides for inspection of vessels navigating the waters of the canal, with the exception of vessels that are merely transiting the canal and public vessels. The regulations presently in effect are published at 35 CFR, Part 121. Sec. 1351 is not amended by the Executive Branch draft, except insofar as the terminology may be affected by sec. 2(c) of that draft.

Sec. 1352. Foreign vessels. This section, based on 2 CZ Code 1352, provides for reciprocal recognition of certificates of inspection of foreign vessels having inspection laws approximating those of the United States. Sec. 1352 is not amended by the Executive Branch draft except insofar as the terminology may be amended by sec. 2(c) of that draft.

Sec. 1353. Regulations governing inspection. The Panama Canal Commission shall prescribe, and from time to time may amend, regulations concerning the inspection of vessels conforming as nearly as practicable to the laws and regulations governing marine inspection by the United States Coast Guard.

TITLE II. TRANSITION PERIOD

Article XI of the Treaty provides for immediate resumption of "plenary jurisdiction" over the Canal Zone by Panama on the effective date of the Treaty, but that for a "transition period" of 30 months after that date the laws of the United States apply concurrently with the laws of Panama in certain of the areas and installations made available by the Treaty for use by the United States. The extent of the application of U.S. law, the jurisdiction of U.S. courts now established in the Canal Zone, and the police power of the United States in the affected areas and installations are defined and limited by the Article. Title 4 is included in the bill to provide the legislative basis for the exercise by the United States of the rights conferred by Article XI.

Chapter 1—Laws Continued in Force

Sec. 1501. Laws, regulations and administrative authority. This section is a paraphrase of the first sentence of paragraph 7 of Article XI of the treaty. It is more limited than the similar language of section 3 of the bill, in that it refers to laws continued in force *"for the purpose of the exercise by the United States of law enforcement and judicial jurisdiction"* during the transition period (emphasis supplied), whereas the operation of section 3 is not so limited. On the other hand, the laws continued in force by section 3 are those now applicable "by virtue of the territorial jurisdiction of the United States in the Canal Zone" whereas section 1502 continues, for the transition period, all laws, regulations and administrative authority applicable in the Canal Zone prior to the entry into force of the Treaty, to the extent such laws, regulations and administrative authority are consistent with the Treaty and the other provisions of this Act.

Section 401 of the Executive Branch draft corresponds to section 3 of this bill which, as noted, departs somewhat from the language and purposes of paragraph 7 of Article XI of the Treaty.

Chapter 2—Courts

Sec. 1511. Jurisdiction. This section continues the jurisdiction of the district court and magistrates' courts established by title 3 of the Canal Zone Code, subject to the limitations provided in Article XI of the Treaty, with changes in terminology to conform to the Treaty provisions.

This section is based on paragraphs (b) and (c) of section 402 of the Executive Branch, with some changes in phraseology in paragraph (b). Paragraph (a) of section 402 of the Executive Branch draft is omitted as unnecessary.

Section 1512. Divisions and Terms of District Court. This section, based on section 403 of the Executive Branch draft, authorizes the district court for the district of the Canal Zone to conduct its business at such places within areas made available to the United States by the Treaty, and at such times as the district judge may designate. 2 CZ Code 2, establishing two divisions of the district court, and 2 CZ Code 3, requiring that terms of the court be held in each division, are repealed by section 1611 of the bill.

Section 1513. Terms of Certain Offices. This section limits the terms of a U.S. District Judge, magistrate, U.S. attorney or marshal appointed after the date of the Act to a period ending 30 months after the Treaty enters into force, corresponding to the length of the transition period. Extensions necessary for the disposition of pending cases under paragraph 7 of Article XI of the Treaty are authorized.

The section is based on section 404 of the Executive Branch draft.

Section 1514. Residence Requirements. This section, based on section 405 of the draft bill submitted by the Executive Branch, repeals sections of title 3 of the Canal Zone Code requiring the District Judge (Sec. 5(d)), the clerk of the U.S. District Court (Sec. 7(d), the United States Attorney (Sec. 41(d)), marshal (Sec. 45(d)), to reside in the Canal Zone.

Sec. 1515. Special district judge. This section, based on section 406 of the Executive Branch draft, amends section 6 of title 3 of the Canal Zone Code, which now authorizes the President to appoint a special district judge to act during the absence of the district judge from the Canal Zone or during periods of disability or disqualification of the judge. This section of the bill transfers the appointing authority from the President to the Chief Judge of the judicial circuit of which the district court is a part and authorizes such an appointment when there is a vacancy in the office, an occasion not now covered by 2 CZ Code 6.

Sec. 1516. Magistrate's court. This section, based on section 407 of the Executive Branch draft, limits the operation of the magistrates' courts to the duration of the transition period. Paragraph (b) of the section authorizes the President to abolish one or both of the magistrates's courts during the transition period, and paragraph (c) provides for transfer to the district court of the functions of a magistrates' court abolished under the section.

Chapter 3—Attorneys

Sec. 1521. Oath of attorneys. 2 CZ Code 543 now prescribes the text of the oath to be taken by applicants on admission to the Canal Zone Bar. The prescribed oath now commences with a recital that the applicant recognizes and accepts the "supreme authority of the United States of America in the Canal Zone." Section 1510 of the bill, based on section 408 of the Executive Branch draft, amends this section of the Code to eliminate the text set out in the section, and authorizes the district judge to prescribe an appropriate oath.

Chapter 4—Transition Authority

Sec. 1531. Transition authority of the President. This section, except as expressly otherwise provided, vests in the President any authority necessary to the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Treaty.

Section 409 of the Executive Branch draft vests such authority in the Commission with

an additional qualification in effect authorizing the President to provide otherwise by Executive Order.

TITLE III. GENERAL PROVISIONS

Chapter 1—Cemeteries

This chapter provides legislative authority for the disinterment and reinterment of the remains of U.S. citizens now interred in the Canal Zone contemplated by Reservation 3 (B) in the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, adopted on March 17, 1978 (Cong. Rec., March 16, 1978, p. S3857). Item (a), XII of paragraph 4 of the Annex to the Panama Canal Treaty, referred to in paragraph 4 of Article III of the Treaty, includes among the activities and operations not to be carried out by the Panama Canal Commission upon the date of entry into force of the Treaty: "(XII) Health and medical services provided to individuals, including hospitals, leprosariums, veterinary, mortuary and cemetery services."

The two cemeteries now located in the Canal Zone are not included in the areas made available by the Treaty for use by the United States.

Sec. 1601. Administration of Corozal Cemetery. Paragraph (a) of this section authorizes the President to enter into an agreement with the Republic of Panama for administration of that part of Corozal Cemetery as encompasses the remains of citizens of the United States. The authorization of the agreement and terms to be included therein conform to the provisions of paragraph 1 of the Reservation referred to above.

Paragraph (b) of the section authorizes the President to transfer to the American Battle Monuments Commission the administration of that part of Corozal Cemetery covered by the agreement referred to in paragraph (a).

Sec. 1602. Disinterment and reinterment of remains of United States citizens. This section, in accordance with paragraph 3(B) of the reservation referred to, authorizes (1) disinterment of remains of citizens of the United States from Mt. Hope Cemetery and reinterment of such remains in Corozal Cemetery, and (2) removal of remains of U.S. citizens from Corozal Cemetery to the United States for reinterment.

Sec. 1603. Costs. This section authorizes the President to provide for payment of the costs incurred pursuant to this chapter out of any appropriations available to any agency of the United States designated by the President. Such costs are excluded from the calculation of tolls under section 412 of title 1 of the bill.

The subject matter of this section is treated in section 502 of the Executive Branch draft.

Chapter 2—Immigration

Sec. 1611. Special immigrants. This section, based on section 410 of the Executive Branch draft, would amend sections 101(a)(27) and 212(d) of the Immigration and Nationality Act [8 USC 1101(a)(27) and 1182(d)] to permit immigration as "special immigrants" by (1) employees of the Panama Canal Company or Canal Zone Government who are residents of the Canal Zone on the effective date of the Treaty and have performed at least one year's service, and his accompanying spouse or children; or (2) Panamanian nationals (regardless of residence) who have been retired from U.S. Government service in the Canal Zone with not less than 15 years' service. Paragraph (b) of section 1606, amending 8 USC 1182(d) waives the provisions of paragraphs (7) and (15) of subsection (a) of that section for aliens seeking to enter the United States as special immigrants under the terms of this section.

The sectional analysis accompanying the Executive Branch bill explained the purpose of this section as follows:

"This proposal arises from a desire to provide retired employees and employees presently living under U.S. jurisdiction in the Canal Zone with an opportunity to immigrate to the United States if they so choose. Many of these persons have been historically affiliated with the United States presence and have not become fully assimilated into Panamanian society. The bulk of those eligible for immigration will be persons retired from their employment with the United States Government."

Chapter 3—Amendments, Repeals, Effective Date

Sec. 1621. Conforming amendments. This section provides for amendments of certain general laws of the United States now applicable in the Canal Zone in such manner as either to make the amended provision inapplicable or conform the terminology of the provision to that of the 1977 Treaty or other provisions of the bill. Such amendments are not exclusively confined to this section. Section 3(c) contains a generalized provision for changes in terminology that are, as a general rule, appropriate throughout the body of laws now applicable in the Canal Zone and where special provision is desirable and the significance and effect of such amendments can be shown more clearly as part of or along with substantive provisions in other sections of the bill, this has been done.

Sec. 1622. Repeals. This section consolidates provisions for outright repeal of certain statutes or parts of statutes now applicable in the Canal Zone. As in the case of the conforming amendments collected in section 1621, all repeals are not exclusively confined to this section, but where the inclusion of a repealing provision with a substantive provision serves to clarify the total effect of a substantive provision, the two have been combined in other sections of the bill.

Paragraph (a) of section 1622 repeals title 2 of the present Canal Zone Code in its entirety. The provisions of title 1, other than those of section 31 incorporated in section 1503 of this bill, are either inappropriate or unnecessary in the limited circumstances resulting from the jurisdictional changes effected by the 1977 Treaties.

Provisions of title 2 that continue to be relevant under the Treaty and other provisions of the bill are incorporated into the bill so that the full text of the applicable law will appear fully from the provisions of the bill without the necessity for comparing and reconciling the provisions of this legislation with other provisions of title 2 left in effect but not mentioned or merely cited in the legislation.

Paragraph (a) of section 1622 also repeals sections 2 and 3 of title 3 and sections 5081–92 of title 6 of the Canal Zone Code. 3 CZ Code 2 and 3 establish the Balboa and Cristobal Divisions of the U.S. District Court for the District of the Canal Zone and require terms of the court to be held in each division. The subject matter of these sections is covered by section 1512 of the bill. 6 CZ Code 5081–92 provide for extradition between the Canal Zone and Panama. This extradition becomes inappropriate and unnecessary in view of the provisions of the 1977 Treaty abrogating the treaties establishing the Canal Zone and restoring to Panama complete jurisdiction over the area now included in the Canal Zone.

Paragraph (b) of section 1622, based on section 103 of the Executive Branch draft, repeals parts of two general laws now applicable in the Canal Zone as follows:

Subsection (d) of section 38 of the Arms Control Act (Act June 30, 1976 (90 Stat. 744, as amended; 22 USC 2778) which extends licensing provisions of that Act to arms exports from the Canal Zone;

Section 2 of the Act of November 14, 1941 (55 Stat. 763; 50 USC 191b) which refers to and protects from impairment the authority of the Governor of the Canal Zone to regulate the anchorage and movement of vessels under 50 USC 121, as amended by section 1621 to eliminate such authority.

Sec. 1623. Effective date. This section establishes the effective date of the Act to coincide with the effective date of the Treaty, except for sections 202, 203, 414, 1511, 1604 and 1611, which become effective on the date of enactment. Sections 202 and 203 provide benefits for employees whose employment is affected by the Treaty; section 414 authorizes the commencement of proceedings to increase tolls under the formula that will apply after the Treaty goes into effect; section 1511 limits the terms of newly appointed officers of the Canal Zone courts to the duration of the transition period of 30 months following the entry into force of the Treaty; section 1604 provides for the disinterment and reinterment of the remains of U.S. citizens now interred in Canal Zone cemeteries; and section 1611 provides for facilitation of immigration of certain employees in the Canal Zone.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. LEHMAN (at the request of Mr. WRIGHT), after 3 p.m. today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MICHEL) to revise and extend their remarks and include extraneous material.)

Mr. GOLDWATER, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. SYMMS, for 5 minutes, today.

Mr. MCCLORY, for 10 minutes, today.

Mr. BROWN of Ohio, for 60 minutes, today.

Mr. ARCHER, for 10 minutes, today.

Mr. DERWINSKI, for 10 minutes, today.

(The following Members (at the request of Mr. HANCE) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MITCHELL of Maryland, for 60 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. DINGELL, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. UDALL, for 10 minutes, today.

Mr. CLAY, for 5 minutes, today.

Mr. REUSS, for 20 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mr. FISHER, for 5 minutes, today.

Mr. HOWARD, for 5 minutes, today.

Mr. ROBERTS, for 5 minutes, today.

Mr. PEASE, for 5 minutes, today.

Mr. HIGHTOWER, for 5 minutes, today.

Mr. PHILLIP BURTON, for 10 minutes, today.

Mr. CHARLES H. WILSON of California, for 5 minutes, today.

Mr. MIKVA, for 5 minutes, today.

Mr. FORD of Tennessee, for 5 minutes, today.

Mr. CONYERS, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. MURPHY of New York, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $8,781.15.

Mr. CORMAN, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $3,088.

Mr. CORMAN, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $4,246.

(The following Members (at the request of Mr. MICHEL) and to include extraneous matter.)

Mr. JEFFORDS.
Mr. KEMP in four instances.
Mr. LENT in three instances.
Mr. SEBELIUS.
Mr. WYDLER in three instances.
Mr. WHITEHURST.
Mr. CARTER in two instances.
Mr. CONTE.
Mr. GRADISON in two instances.
Mr. MCEWEN.
Mr. MCCLORY in three instances.
Mrs. SMITH of Nebraska in two instances.
Mr. SYMMS.
Mr. COLLINS of Texas in three instances.
Mr. RINALDO in two instances.
Mr. WAMPLER in two instances.
Mr. GRASSLEY in two instances.
Mr. DERWINSKI in four instances.
Mr. MICHEL in three instances.
Mr. DORNAN.
Mr. ANDERSON of Illinois in two instances.
Mr. GINGRICH.
Mr. FORSYTHE.
Mr. BOB WILSON in three instances.
Mr. TREEN.
Mr. RUDD.
Mr. MOORHEAD of California.

(The following Members (at the request of Mr. HANCE) and to include extraneous matter:)

Mr. ST GERMAIN.
Mr. ASPIN in 15 instances.
Mrs. BYRON in 10 instances.
Mr. HOLLAND in five instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. HAMILTON in 10 instances.
Mr. BARNES.
Mr. CORMAN in two instances.
Ms. HOLTZMAN in 10 instances.
Mr. FLORIO.
Mr. LEVITAS in seven instances.
Mr. CLAY in 15 instances.
Mr. HARRIS in two instances.
Mr. DINGELL in five instances.
Mr. ROBERTS.
Mr. MCCORMACK.
Mr. WEISS in 10 instances.
Mr. MCDONALD in 10 instances.
Mr. STUMP.
Mr. BROOKS.
Mr. BRODHEAD in two instances.
Mr. VENTO.
Mr. ADDABBO.
Mr. COTTER in three instances.
Mr. VOLKMER in two instances.
Mr. FOUNTAIN.
Mr. OTTINGER in two instances.
Mr. GUDGER.
Mr. ZEFERETTI.
Mr. EDWARDS of California.
Mr. WOLFF.
Mr. BIAGGI in three instances.
Mr. PICKLE in five instances.
Mr. CHARLES H. WILSON of California.
Mr. BLANCHARD.
Mr. RANGEL in 10 instances.
Mr. PEPPER in two instances.
Mr. VANIK.
Mr. BRADEMAS in five instances.
Mr. MAZZOLI.
Mr. ROSE.
Mr. FLIPPO.
Mr. PEYSER.
Mr. CONYERS.

ADJOURNMENT

Mr. HANCE. Mr. Speaker, as a further mark of respect to the deceased, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 23 minutes p.m.), the House adjourned until Thursday, January 18, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Submitted January 15, 1979*]

1. A communication from the President of the United States, transmitting a report on efforts to resolve the Cyprus dispute, pursuant to section 620(x)(2) of the Foreign Assistance Act of 1961, as amended (89 Stat. 509) H. Doc. No. 96–5); to the Committee on International Relations and ordered to be printed.

2. A letter from the Secretary of Agriculture, transmitting a summary of the Department's weather-water allocation study, pursuant to section 1460 of Public Law 95–113; to the Committee on Agriculture.

3. A letter from the Secretary of Agriculture, transmitting a report on improving soils with organic wastes, pursuant to section 1461 of Public Law 95–113; to the Committee on Agriculture.

4. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of November 1, 1978, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. 96–6); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of December 1, 1978, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–7); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of January 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–8); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Deputy Director, Office of Management and Budget, transmitting a report that the appropriation to the Veterans' Administration for "Readjustment benefits," for fiscal year 1979 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

8. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Canal Zone Government for "Operating Expenses" for fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation and that the Panama Canal Company Fund has been reapportioned on a basis which indicates a necessity for an increase in the statutory "Limitation on General and Administrative Expenses," pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

9. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for compensation and pensions and general operating expenses for the Veterans' Administration has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

10. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Justice for "Fees and expenses of witnesses," for fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

11. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for salaries and expenses to the U.S. Customs Service, Department of the Treasury has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

12. A letter from the Secretary of the Interior, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(1)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

13. A letter from the Deputy Secretary of Defense, transmitting notice of authorization of deficiencies to be incurred during the last quarter of fiscal year 1978 in the appropriations for "Operations and maintenance" for the Army and Marine Corps, pursuant to section 3732(b) of the Revised Statutes, as amended (80 Stat. 993); to the Committee on Appropriations.

14. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of additional lands in Westside Water District Improvement District No. 1, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

15. A letter from the Assistant Secretary of Defense, transmitting notice of the proposed obligation of certain funds available in the Army Stock Fund for war reserve stocks, pursuant to section 834 of Public Law 95–457; to the Committee on Appropriations.

16. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the third quarter of fiscal year 1978 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 812 of Public Law 95–111; to the Committee on Appropriations.

17. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of transfers of funds appropriated for health care purposes, pursuant to section 854 of Public Law 95–111; to the Committee on Appropriations.

18. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended September 30, 1978, pursuant to section 819 of Public Law 95–111; to the Committee on Appropriations.

19. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Defense Appropriation Act, 1978, and the Military Construction Appropriation Act, 1978, during the period April 1, 1978–September 30, 1978, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 834 and 109 of the respective acts; to the Committee on Appropriations.

20. A letter from the Comptroller General of the United States, transmitting his review of the rescission of budget authority contained in the message from the President dated September 28, 1978 (House Document No. 95–388), pursuant to section 1014(b) of Public Law 93–344 (H. Doc. 96–9); to the Committee on Appropriations and ordered to be printed.

21. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority contained in the message from the President dated October 2, 1978 (House Document No. 95–392), pursuant to section 1014(b) of Public Law 93–344 (H. Doc. 96–10); to the Committee on Appropriations and ordered to be printed.

22. A letter from the Deputy Comptroller General of the United States, transmitting his review of the proposed rescission, deferrals, and revisions of previous proposed deferrals of budget authority contained in the message from the President received this date (dated November , 1978, House Document No. 96–), pursuant to section 1014 (b) and (c) of Public Law 93–344 (H. Doc. 96–11); to the Committee on Appropriations and ordered to be printed.

23. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated December 7, 1978 (House Document No. 96–3), pursuant to section 1014 of Public Law 93–344 (H. Doc. 96–13); to the Committee on Appropriations and ordered to be printed.

24. A letter from the General Counsel, U.S. General Accounting Office, transmitting a report on proposed rescission funds made available for obligation and allotted to the Unemployment Trust Fund and other funds (recission proposal R78–7); to the Committee on Appropriations.

25. A letter from the Director of ACTION, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679 (1)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

26. A letter from the Architect of the Capitol, transmitting a report on his expenditures during the period April 1 through September 30, 1978, pursuant to section 105(b) of Public Law 88–454; to the Committee on Appropriations.

27. A letter from the Secretary of Defense, transmitting the initial allocation of civilian personnel among the military departments and defense agencies for fiscal year 1979, pursuant to section 501(b) of Public Law 95–485; to the Committee on Armed Services.

28. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the operation of the special pay program for medical officers of the commissioned corps of the Public Health Service, pursuant to 37 U.S.C. 313; to the Committee on Armed Services.

29. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period April 1, 1978 to September 30, 1978, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

30. A letter from the Deputy Secretary of Defense, transmitting notice of approval of annual compensation rates in excess of $45,000 for officials of the Institute for Defense Analyses, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

31. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting the fourth report on the Selected Reserve reenlistment bonus test program, pursuant to 37 U.S.C. 308b(e); to the Committee on Armed Services.

32. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting a statistical status report on the fiscal year 1978 Selected Reserve Reenlistment Bonus Test Program in the Army National Guard and the Army Reserve, and an initial report on the fiscal year 1979 Incentive Program for the Selected Reserve, pursuant to 10 U.S.C. 2134, 37 U.S.C. 308b(e), and 37 U.S.C. 308c(e); to the Committee on Armed Services.

33. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period November 15, 1978 to February 15, 1979, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

34. A letter from the Deputy Assistant Secretary of Defense for Military Personnel Policy, transmitting the annual report for fiscal year 1978 on aviation career incentive pay, pursuant to 37 U.S.C. 301a(e); to the Committee on Armed Services.

35. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

36. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

37. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 8 construction projects to be undertaken by the U.S. Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

38. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 38 construction projects to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

39. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 24 construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

40. A letter from the Assistant Secretary of Defense (Comptroller), transmitting amendments to the list of contract award dates for the period September 15–December 15, 1978, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

41. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Netherlands (transmittal No. 79–1), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

42. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Federal Republic of Germany (transmittal No. 79–2), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

43. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Federal Republic of Germany (transmittal No. 79–3), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

44. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ending September 30, 1978, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

45. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense equipment and facilities during fiscal year ending September 30, 1978, pursuant to section 201(i) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

46. A letter from the Administrator, General Services Administration, transmitting a copy of a preliminary report prepared by an Advisory Panel on Stockpile Policy regarding methods of sale of stockpile materials; to the Committee on Armed Services.

47. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense personnel and administrative expenses for fiscal year 1978, pursuant to section 205(f) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2286 (f)); to the Committee on Armed Services.

48. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain obsolete toxic chemical munitions at Tooele Army Depot, Utah, pursuant to section 409(b)(4) of Public Law 91–121 (50 U.S.C. 1512); to the Committee on Armed Services.

49. A letter from the Secretary of the Army, transmitting the annual report of the U.S. Soldiers' and Airmen's Home for fiscal year 1977 and the report of the 1978 annual General Inspection of the Home, pursuant to the acts of March 3, 1883, and March 4, 1909 [24 U.S.C. 42, 59]; to the Committee on Armed Services.

50. A letter from the Acting Secretary of the Army, transmitting a report on Army military construction contracts awarded without formal advertisement during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

51. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of a certain

naval vessel and for other purposes; to the Committee on Armed Services.

52. A letter from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting the semiannual report for the period April 1–September 30, 1978 on Army research and development procurement actions of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

53. A letter from the Assistant Deputy Chief of Naval Material (Contracts and Business Management). Headquarters Naval Material Command, Department of the Navy, transmitting the semiannual report for the period October 1, 1977–September 30, 1978 on Navy research and development procurement actions of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

54. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting a report on Air Force military construction contracts awarded without formal advertisement during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

55. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting a report on the highest amounts of Architect-Engineers contracts awarded by the Air Force during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

56. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the selected acquisition reports and SAR summary tables for the quarter ended September 30, 1978, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

57. A letter from the Secretary of Housing and Urban Development, transmitting the annual report on Indian and Alaska Native housing and community development programs, pursuant to section 4(d)(2) of Public Law 89–174, as amended (91 Stat. 1148); to the Committee on Banking, Finance and Urban Affairs.

58. A letter from the Assistant Attorney General, Antitrust Division, transmitting the annual report for calendar year 1978 on administration of the Truth In Lending Act, pursuant to section 114 of the Consumer Credit Protection Act; to the Committee on Banking, Finance and Urban Affairs.

59. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c), Public Law 95–118; to the Committee on Banking, Finance and Urban Affairs.

60. A letter from the Chairman, Cost Accounting Standards Board, transmitting the progress report of the Board for fiscal year 1978, pursuant to section 719(k) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

61. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed new cost accounting standard entitled "Part 416—Accounting for Insurance Costs—a Cost Accounting Standard which establishes criteria for the measurement of insurance costs, the assignment of such costs to cost accounting periods and their allocation to cost objectives," pursuant to section 719(h)(3) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

62. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on the export expansion facility program for the quarter ended September 30, 1978, pursuant to Public Law 90–390; to the Committee on Banking, Finance and Urban Affairs.

63. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during August and September 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

64. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting a proposed regulation to implement sections 909 and 911 of the Electronic Fund Transfer Act, pursuant to section 904 of the Consumer Credit Protection Act, as amended (92 Stat. 3730); to the Committee on Banking, Finance and Urban Affairs.

65. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's tenth annual report on truth in lending, pursuant to section 114 of the Consumer Credit Protection Act; to the Committee on Banking, Finance and Urban Affairs.

66. A letter from the acting Chairman, the Renegotiation Board, transmitting the 23d annual report of the Board, covering fiscal year 1978, pursuant to section 114 of the Renegotiation Act of 1951, as amended; to the Committee on Banking, Finance and Urban Affairs.

67. A letter from the Mayor of the District of Columbia, transmitting the 1978 Alcoholism State Plan for the District of Columbia, pursuant to Public Law 90–452; to the Committee on the District of Columbia.

68. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the amount of appropriations that would be needed for fiscal year 1979 in order to provide public service jobs for 20 percent of the number of unemployed in excess of 4 percent, pursuant to section 602 of the Comprehensive Employment and Training Act, as amended (92 Stat. 2006); to the Committee on Education and Labor.

69. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act of 1972, covering calendar year 1977, pursuant to section 426(b) of the Federal Coal Mine Health and Safety Act of 1969, as amended (86 Stat. 155); to the Committee on Education and Labor.

70. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on poverty-related research and demonstration projects, for fiscal year 1977, pursuant to section 232(b) of the Community Services Act of 1974 (81 Stat. 703); to the Committee on Education and Labor.

71. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of interpretation of title I of the Elementary and Secondary Education Act requirements for the establishment of parent advisory councils and the selection of their members, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

72. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the program governing children of migratory agricultural workers or migratory fishermen, pursuant to section 431((d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

73. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the education information centers program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

74. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting an interim draft report on the implementation of the Education for All Handicapped Children Act of 1975, pursuant to section 618(d)(1) of Public Law 94–142; to the Committee on Education and Labor.

75. A letter from the Chairperson, Community Education Advisory Council, Department of Health, Education, and Welfare, transmitting a copy of the Council's final report evaluating the community education program, pursuant to section 405(g)(6) of Public Law 93–380; to the Committee on Education and Labor.

76. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the 30th annual report of the Service, covering fiscal year 1977, pursuant to section 202(c) of the Labor Management Relations Act, 1947; to the Committee on Education and Labor.

77. A letter from the Director, Hoover Institution on War, Revolution, and Peace, transmitting the final report on the expenditure of funds on the construction and equipping of the Herbert Hoover Federal Memorial Building, pursuant to section 4 of Public Law 93–585; to the Committee on Education and Labor.

78. A letter from the Chairman, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting the Foundation's 1977–78 annual report, pursuant to section 13(b) of Public Law 93–642; to the Committee on Education and Labor.

79. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the status of action on the recommendations of the Commission on Federal Paperwork during the period from April 1 to July 1, 1978, pursuant to section 3(d) of Public Law 93–556; to the Committee on Government Operations.

80. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on improving the distribution of information on Federal assistance programs, pursuant to section 9 of Public Law 95–220; to the Committee on Government Operations.

81. A letter from the Secretary of the Treasury, transmitting the combined statement of receipts, expenditures and balances of the U.S. Government for fiscal year 1978, pursuant to section 15 of the Act of July 31, 1894, and section 114 of the Act of September 12, 1950; to the Committee on Government Operations.

82. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

83. A letter from the Secretary of Health, Education, and Welfare, transmitting a report covering fiscal year 1978 on surplus real property disposed of to public health and educational institutions under section 203(k) of the Federal Property and Administrative Services Act of 1949, as amended, pursuant to section 203(o) of the act; to the Committee on Government Operations.

84. A letter from the Acting Assistant Secretary, Department of the Treasury, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

85. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system for the Federal Bureau of Investigation, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

86. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an existing system of records for the Criminal Division, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

87. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an

existing system of records for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

88. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an existing system of records for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

89. A letter from the Assistant Attorney General for Administration, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Service Act of 1949, as amended; to the Committee on Government Operations.

90. A letter from the Assistant Attorney General (Antitrust Division), transmitting the annual report on identical bidding in advertised public procurement, pursuant to section 7 of Executive Order 10936; to the Committee on Government Operations.

91. A letter frfom the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

92. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

93. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

94. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

95. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

96. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

97. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

98. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

99. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting his quarterly report for the period July 1 to September 30, 1978, pursuant to section 204(b) of Public Law 94–505; to the Committee on Government Operations.

100. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

101. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

102. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

103. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

104. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

105. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

106. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

107. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

108. A letter from the Director, Procurement and Contracts Management Directorate, Department of Energy, transmitting, a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

109. A letter from the Chairman, U.S. Civil Service Commission, transmitting notice of a proposed new records system for the Office of Personnel Management, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

110. A letter from the Chief of the Procurement and Property Management Branch, Administrative Services Division, Community Services Administration, transmitting a report on the agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

111. A letter from the Assistant Director for General Services, Facilities and Support Services Division, U.S. Environmental Protection Agency, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

112. A letter from the Chief, Records Management Division and Privacy Liaison Officer. Federal Communications Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

113. A letter from the Deputy Administrator, General Service Administration, transmitting a followup report on actions taken on recommendations made by the Commission on the Review of the National Policy Toward Gambling, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

114. A letter from the Deputy Administrator, General Services Administration, transmitting a followup report on actions taken on the recommendations made by the Commission on Olympic Sports, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

115. A letter from the Deputy Administrator of General Services, transmitting a report on the donation of Federal surplus personal property to States and local organizations for public purposes, pursuant to section 203 (o) of the Federal Property and Administrative Services Act of 1949, as amended (90 Stat. 2454); to the Committee on Government Operations.

116. A letter from the Acting Administrator, General Services Administration, transmitting a followup report on the recommendations contained in the report of the Board of Visitors, U.S. Naval Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

117. A letter from the Director, International Communication Agency, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

118. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on NASA's disposal of certain foreign excess property during fiscal year 1978, pursuant to section 404 (d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

119. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

120. A letter from the General Counsel, Federal Trade Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

121. A letter from the General Counsel, Federal Trade Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

122. A letter from the Chairman, Board of Governors, U.S. Postal Service, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

123. A letter from the Deputy Administrator, Veterans' Administration, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

124. A letter from the Director, ACTION, transmitting a report on the Agency's zero-base paperwork project, to the Committee on Government Operations.

125. A letter from the Director, ACTION, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

126. A letter from the Chairman, Copyright Royalty Tribunal, transmitting a report on the Tribunal's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

127. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting the committee's recommendations concerning Federal organization for marine and atmospheric affairs; to the Committee on Government Operations.

128. A letter from the Director of Administration, Nuclear Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

129. A letter from the Comptroller General of the United States, transmitting a report on Federal agencies of the Government

need for improving method of collecting amounts owed by the public (FGMSD–78–61, October 20, 1978); to the Committee on Government Operations.

130. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during September 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

131. A letter from the Comptroller General of the United States, transmitting a report describing ways that Federal agencies can achieve greater collections and savings by more effectively resolving auditors' findings (FGMSD–79–3, October 25, 1978); to the Committee on Government Operations.

132. A letter from the Comptroller General of the United States, transmitting a report on the audited accounts of the United States Capitol Historical Society for the year ended January 31, 1978, pursuant to section 451 of the Legislative Reorganization Act of 1970 (40 U.S.C. 193m–1) (GGD–79–2, December 5, 1978); to the Committee on Government Operations.

133. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during November 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

134. A letter from the Clerk, U.S. House of Representatives, transmitting a list of reports which it is the duty of any officer or department to make to Congress, pursuant to rule III, clause 2, of the Rules of the House of Representatives (H. Doc. No. 96–14); to the Committee on House Administration and ordered to be printed.

135. A communication from the President of the United States, transmitting a proposal for the designation of 1.9 million acres in portions of the Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests, Idaho, as the River of No Return Wilderness, pursuant to section 3(b) of the Wilderness Act of 1964; to the Committee on Interior and Insular Affairs.

136. A letter from the Secretary of the Interior, transmitting the 1978 annual report on mining and minerals policy, pursuant to section 2 of Public Law 91–631; to the Committee on Interior and Insular Affairs.

137. A letter from the Secretary of the Interior, transmitting notice of delays in the preparation of reports on wild and scenic river studies of the Buffalo and Obed Rivers, Tenn., Pine Creek in Pennsylvania, and the Youghiogheny River, Md., required by paragraphs (3), (15), (18), and (27) of section 5(a) of Public Law 90–542; to the Committee on Interior and Insular Affairs.

138. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to the Union Oil Co. of California, pursuant to section X 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

139. A letter from the Secretary of the Interior, transmitting the first annual progress report on management of the California Desert Conservation Area, pursuant to section 601(1) of Public Law 94–579; to the Committee on Interior and Insular Affairs.

140. A letter from the Secretary of the Interior, transmitting a report on the water conservation opportunities study, pursuant to section 1(c) of Public Law 95–18; to the Committee on Interior and Insular Affairs.

141. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to Sun Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

142. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to the Mesa Petroleum Co., pursuant to section 10 (b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

143. A letter from the Acting Secretary of the Interior, transmitting notice of the bidding system to be used and the tracts to be offered in Outer Continental Shelf lease sale No. 51, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 640); to the Committee on Interior and Insular Affairs.

144. A letter from the Acting Secretary of Agriculture, transmitting a report of activities and further revisions to the regulations governing operations under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, pursuant to section 408(d)(3) of the act (91 Stat. 957); to the Committee on Interior and Insular Affairs.

145. A letter from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting the development plan and stream classification for the Obed Wild and Scenic River in Tennessee, pursuant to section 3(b) of the Wild and Scenic Rivers Act (82 Stat. 908); to the Committee on Interior and Insular Affairs.

146. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of Sisseton-Wahpeton Sioux judgment funds awarded in docket 363, Second Claim (1867 Treaty and 1872 Agreement), before the Indian Claims Commission, pursuant to sections 2(a) and 4 of Public Law 93–134; to the Committee on Interior and Insular Affairs.

147. A letter from the Director, Office of Territorial Affairs, Department of the Interior, transmitting the annual report for fiscal year 1978 on the administration of the Guam development fund, pursuant to section 6 of Public Law 90–601; to the Committee on Interior and Insular Affairs.

148. A letter from the Director, Office of Water Research and Technology, Department of the Interior, transmitting notice of the selection of Alamogordo, N. Mex., and Virginia Beach, Va., for further study as potential sites for desalination demonstration plants, together with a copy of the consultant's analysis of 37 potential sites, pursuant to section 2(b) of Public Law 95–84 and section 411 of Public Law 95–467; to the Committee on Interior and Insular Affairs.

149. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in docket No. 169, *The Creek Nation* v. *The United States;* to the Committee on Interior and Insular Affairs.

150. A letter from the Clerk, U.S. Court of claims, transmitting the court's final determination in docket No. 272, *The Creek Nation* v. *United States;* to the Committee on Interior and Insular Affairs.

151. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in dockets No. 15–D, *the Pottawatomie Tribe of Indians, the Prairie Band, et al,* Plaintiffs, *Potawatomi Indians of Indiana and Michigan, Incorporated,* Intervenors, v. *The United States of America,* Defendant; to the Committee on Interior and Insular Affairs.

152. A letter from the Clerk, U.S. Court of Claims, transmitting the Court's final determination in dockets Nos. 133A and 302, *the Ottawa Tribe, and Guy Jennison et al, as Representatives of the Ottawa Tribe* v. *United States;* to the Committee on Interior and Insular Affairs.

153. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in dockets No. 13–E, *James Strong, et al., as the Representatives and on behalf of all Members by Blood of the* v. *The United States;* to the Committee on Interior and Insular Affairs.

154. A letter from the Clerk, U.S. Court of Claims, transmitting the final award of the court in docket Nos. 216, 15–L and 29–I, *Citizen Band of Potawatomi Indians of Oklahoma, et al and Related Cases,* v. *The United States;* to the Committee on Interior and Insular Affairs.

155. A letter from the Clerk, U.S. Court of Claims, transmitting the final award of the court in docket No. 314–B, *The Peoria Tribe of Oklahoma* v. *The United States;* to the Committee on Interior and Insular Affairs.

156. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting the Council's annual report for the period covering fiscal year 1976 and the transition quarter together with fiscal year 1977, pursuant to section 202(b) of Public Law 89–665 to the Committee on Interior and Insular Affairs.

157. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., during the fourth quarter of fiscal year 1978, pursuant to section 8 of the Board for International Broadcasting Act of 1973, as amended (90 Stat. 832); to the Committee on International Relations.

158. A letter from the Secretary of State, transmitting a report on U.S. policy toward the Soviet Union, pursuant to section 24(c) of Public Law 95–384; to the Committee on International Relations.

159. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting a report on all sales under the Arms Export Control Act, other than to members of the North Atlantic Treaty Organization, Japan, Australia, and New Zealand, of major defense articles or services for $25 million or more, which are considered eligible for approval during fiscal year 1979, pursuant to section 25(d) of the Arms Export Control Act; to the Committee on International Relations.

160. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting proposed country allocations of military assistance and of international military education and training for fiscal year 1979, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

161. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin defense articles to the Government of Singapore, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

162. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Israel for permission to transfer certain U.S.-origin defense articles to the Netherlands Governments, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

163. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Morocco for permission to transfer certain U.S.-origin defense articles to the firm Euro World of California, Inc., pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

164. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Norway for permission to transfer certain U.S.-origin defense articles to

Greece, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

165. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Spain for permission to transfer U.S.-origin military equipment to the Government of Morocco, pursuant to section 3(a) of the Arms Export Control Act, as amended, to the Committee on International Relations.

166. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of defense articles sold commercially under a contract in the amount of $25 million or more (transmittal No. MC–7–79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

167. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing license agreement for the production of certain military equipment in Japan (MC–1–79), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

168. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing license agreement for the production of certain military equipment in Korea (MC–2–79), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

169. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on excess defense articles delivered to foreign governments during the transition quarter, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended; to the Committee on International Relations.

170. A letter from the Assistant Secretary of State for Economic and Business Affairs, transmitting a report on the national trade control systems of COCOM countries as they stood April 15, 1978, pursuant to section 302(b) of the Mutual Defense Assistance Control Act of 1951 (Battle Act); to the Committee on International Relations.

171. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

172. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

173. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

174. A letter from the Assistant Secretary of Agriculture, transmitting a report on the status of planned programing of Public Law 480, title I commodities as of December 31, 1978, pursuant to section 408(b) of the act (91 Stat. 552); to the Committee on International Relations.

175. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to the Netherlands (transmittal No. 79–1), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

176. A letter from the Acting Director, Defense Security Assistance Agency, transmitting an insert to the report on foreign military sales for the 3d quarter of fiscal year 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

177. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to the Federal Republic of Germany (transmittal No. 79–2), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

178. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to the Federal Republic of Germany (transmittal No. 79–3), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

179. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to the Netherlands (transmittal No. 79–5), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

180. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of September 30, 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

181. A letter from the Director, Defense Security Assistance Agency, transmitting a report on foreign military sales for fiscal year 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

182. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's allocations of funds appropriated for fiscal year 1979, by country or international organization and by program, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

183. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report concerning the status of aid-recipient countries regarding delinquencies in their dues, assessments and other obligations to the United Nations, pursuant to section 620(u) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

184. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report regarding the status of the International Disaster Assistance Account for the fourth quarter of fiscal year 1978, pursuant to section 492 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

185. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the programing and obligation of funds for relief and rehabilitation assistance to Romanian earthquake victims, pursuant to section 495(D)(e) of the Foreign Assistance Act of 1961, as amended (91 Stat. 48); to the Committee on International Relations.

186. A letter from the Senior Adviser and Director for International Narcotics Control, Department of State, transmitting a report on the proposed changes in allocations of fiscal year 1979 funds for the international narcotics control program, pursuant to section 653 of the Foreign Assistance Act; to the Committee on International Relations.

187. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on International Relations.

188. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

189. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

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196. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

197. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

198. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

199. A letter from the Chairman, Board of Foreign Scholarships, transmitting the Board's 15th annual report, covering calendar year 1977, pursuant to section 107 of the Mutual Educational and Cultural Exchange Act of 1961; to the Committee on International Relations.

200. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the Commission's an-

nual report for calendar year 1977; to the Committee on International Relations.

201. A letter from the Assistant Attorney General, Antitrust Division, transmitting a report on the antitrust aspects of activities of advisory committees to the Interstate Compact to Conserve Oil and Gas, pursuant to section 2(b) of Public Law 94–493; to the Committee on Interstate and Foreign Commerce.

202. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on State compliance with medicaid utilization control requirements, covering the quarter ended March 31, 1978, pursuant to section 1903(g)(6) of the Social Security Act, as amended (91 Stat. 1205); to the Committee on Interstate and Foreign Commerce.

203. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the activities of the Department under title IX of the Public Health Service Act relating to heart diseases, cancer, stroke, and kidney disease, and grants and services to States, pursuant to section 227 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

204. A letter from the Secretary of Health, Education, and Welfare, transmitting the 1977 report on the administration of the Public Health Service, pursuant to section 511 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

205. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on family planning services and population research, pursuant to section 1009(a) of the Public Health Service Act, as amended (89 Stat. 307); to the Committee on Interstate and Foreign Commerce.

206. A letter from the Secretary of Health, Education, and Welfare, transmitting the Surgeon General's report for 1979 on smoking and health, pursuant to section 8(a) of the Public Health Cigarette Smoking Act of 1969; to the Committee on Interstate and Foreign Commerce.

207. A letter from the Secretary of Health, Education, and Welfare, transmitting a survey report on medical, nursing and osteopathic school admissions policy relating to abortions or sterilizations, pursuant to section 7 of Public Law 95–215; to the Committee on Interstate and Foreign Commerce.

208. A letter from the Secretary of Transportation, transmitting a preliminary report on the state of the railroad industry, pursuant to sections 504 and 901 of the Railroad Revitalization and Regulatory Reform Act of 1976; to the Committee on Interstate and Foreign Commerce.

209. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held in San Francisco, Calif., on January 17; to the Committee on Interstate and Foreign Commerce.

210. A letter from the General Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program held on November 8, 1978, in White Plains, N.Y., on November 9, 1978, in New York, N.Y., and on November 10, 1978, in New York, N.Y.; to the Committee on Interstate and Foreign Commerce.

211. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program held on November 27 and 28, 1978, in Paris; to the Committee on Interstate and Foreign Commerce.

212. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of retail gasoline for July 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

213. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products for July 1978, pursuant to section 4(a)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

214. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products and retail gasoline for August 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

215. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of retail gasoline for September 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

216. A letter from the Adminstrator, Energy, Information Administration, Department of Energy, transmitting a quarterly report for the period July–September 1978, on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of Public Law 93–319, as amended; to the Committee on Interstate and Foreign Commerce.

217. A letter from the Chairman, Federal Energy Regulatory Commission, Department of Energy, transmitting, a report on the implementation and actions taken under the Emergency Natural Gas Act of 1977, pursuant to section 12(b) of Public Law 95–2; to the Committee on Interstate and Foreign Commerce.

218. A letter from the Chairman, Federal Regulatory Commission, Department of Energy, transmitting interim regulations to implement certain sections of the Natural Gas Policy Act of 1978; to the Committee on Interstate and Foreign Commerce.

219. A letter from the Director, Office of Hearings and Appeals, Department of Energy, transmitting a quarterly report on private grievances and redress, covering the fourth quarter of fiscal year 1978, pursuant to section 21(c) of Public Law 93–275; to the Committee on Interstate and Foreign Commerce.

220. A letter from the President, Communications Satellite Corporation, transmitting the 15th annual report on the operations, activities, and accomplishments of (Comsat), pursuant to section 404(b) of Public Law 87–624; to the Committee on Interstate and Foreign Commerce.

221. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's views on S. 2, the Sunset Act of 1978, pursuant to section 27(k)(2) of the Consumer Product Safety Act; to the Committee on Interstate and Foreign Commerce.

222. A letter from the Director of Congressional Relations, U.S. Consumer Product Safety Commission, transmitting the Commission's annual report for fiscal year 1978, pursuant to section 27(j) of the Consumer Product Safety Act; to the Committee on Interstate and Foreign Commerce.

223. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the preliminary survey of surface impoundments and their effects on ground water quality in the United States, pursuant to section 1442(a)(8)(C) of the Public Health Service Act, as amended (88 Stat. 1682); to the Committee on Interstate and Foreign Commerce.

224. A letter from the Chairman, Federal Trade Commission, transmitting the 63d annual report of the Commission, covering fiscal year 1977, pursuant to section 6(f) of the Federal Trade Commission Act; to the Committee on Interstate and Foreign Commerce.

225. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 36731 (Sub-No. 28), liquefied petroleum gas, Flomaton, Ala., to Western Trunk Line Territory, within the initially specified 7-month period, and that the Commission seeks an extension until February 15, 1979, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

226. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision in docket No. 36952, Electrical Appliances, San Juan to Dallas, Minneapolis, and East St. Louis, within the initially specified 7-month period, and seeking an extension until April 5, 1979, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

227. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of July 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

228. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's financial report for the month of July 1978, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

229. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of August 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

230. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of September 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

231. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of September 1978, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committeee on Interstate and Foreign Commerce.

232. A letter from the President, U.S. Railway Association, transmitting the Association's fourth quarterly report, pursuant to section 202(e)(2) of the Regional Rail Reorganization Act of 1963, as amended (91 Stat. 1423); to the Committee on Interstate and Foreign Commerce.

233. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C., on September 21 and 22, 1978, pursuant to 28 U.S.C. 331 (H. Doc. No. 96–15); to the Committeee on the Judiciary and ordered to be printed.

234. A letter from the Attorney General,

transmitting the annual report for calendar year 1977 on the administration of the Foreign Agents Registration Act of 1938, as amended, pursuant to section 11 of the act; to the Committee on the Judiciary.

235. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

236. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

237. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

238. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

239. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

240. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

241. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

242. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

243. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

244. A letter from the Director, Bureau of the Census, Department of Commerce, transmitting a report on the survey of registration and voting in the November 1976 elections in jurisdictions covered by the Voting Rights Act Amendments of 1975, pursuant to section 207(c) of the Voting Rights Act of 1965, as amended (89 Stat. 404); to the Committee on the Judiciary.

245. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a statement on the Equal Rights Amendment, pursuant to section 104(c) of Public Law 85–315, as amended; to the Committee on the Judiciary.

246. A letter from the Secretary, Federal Trade Commission, transmitting the second annual report on the operation of the premerger notification provisions of the Clayton Act, pursuant to section 7A(j) of the act, as amended (90 Stat. 1394); to the Committee on the Judiciary.

247. A letter from the Director, Federal Judicial Center, transmitting the recommendations of the Board of the Federal Judicial Center to the Judicial Conference of the United States on the Federal court library system, pursuant to 28 U.S.C. 623(b); to the Committee on the Judiciary.

248. A letter from the Deputy Comptroller General of the United States, transmitting a report and recommendation concerning the claim of Mr. James C. Wilkinson, an employee of the Department of the Interior, for reimbursement, pursuant to the act of April 10, 1928 (45 Stat. 413, 31 U.S.C. 236); to the Committee on the Judiciary.

249. A letter from the Chairman, Copyright Royalty Tribunal, transmitting the Tribunal's first annual report, covering fiscal year 1978, pursuant to 17 U.S.C. 808; to the Committee on the Judiciary.

250. A letter from the corporation agent, Legion of Valor of the U.S.A., transmitting a report on the audit of the organization's accounts for the year ended April 30, 1978, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

251. A letter from the chairman, Little League Baseball, Inc., transmitting the annual report of the corporation for fiscal year 1978, including an independent certified audit, pursuant to section 14b of Public Law 88–378; to the Committee on the Judiciary.

252. A letter from the president, National Safety Council, transmitting the report of the audit of the Council's financial transactions for the fiscal year ended June 30, 1978, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

253. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting the report of the audit of the books of the Quartermaster General of the VFW for the fiscal year ended August 31, 1978, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

254. A letter from the Secretary of the Interior, transmitting the annual report of the Fish and Wildlife Service and administration of its functions under the Marine Mammal Protective Act of 1972, covering the period June 22, 1977 to March 31, 1978, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

255. A letter from the Secretary of Transportation, transmitting, a report on special pay to Coast Guard officers holding positions of unusual responsibility and of critical nature during calendar year 1978, pursuant to 37 U.S.C. 206(f); to the Committee on Merchant Marine and Fisheries.

256. A letter from the Chairman, Migratory Bird Conservation Commission, transmitting the Commission's annual report for fiscal year 1978, pursuant to section 3 of the act of February 18, 1929, 16 U.S.C. 715b; to the Committee on Merchant Marine and Fisheries.

257. A letter from the Acting Director, Arms Control and Disarmament Agency, transmitting a report on scientific and professional positions established in the Agency during calendar year 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

258. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the annual report on scientific and engineering positions established during fiscal year 1978 under the authority of section 203(c)(2)(A) of the National Aeronautics and Space Act of 1958, as amended, pursuant to section 206(b) of the act of October 4, 1961; to the Committee on Post Office and Civil Service.

259. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report covering the period ending September 30, 1978, together with the yearend summary for fiscal year 1978, on the Commission's hiring and promotion of minorities and women, pursuant to section 201(h) of the Energy Reorganization Act of 1974, as amended (91 Stat. 1482); to the Committee on Post Office and Civil Service.

260. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Agana River Project, Guam, in partial response to section 106 of the River and Harbor Act of 1970 (H. Doc. No. 96–16); to the Committee on Public Works and Transportation.

261. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Root River Basin, Minn., in partial response to section 6 of the 1936 Flood Control Act, as amended, and section 11 of the Flood Control Act of 1946 (H. Doc. No. 96–17); to the Committee on Public Works and Transportation.

262. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Gulfport Harbor project, Mississippi, in response to a resolution by the Senate Committee on Public Works and section 304 of the River and Harbor Act of 1965 (H. Doc. No. 96–18); to the Committee on Public Works and Transportation.

263. A letter from the Secretary of the Army, transmitting the Corps of Engineers phase I design memorandum for the Libby reregulating dam power units, Kootenai River, Mont., pursuant to section 1(a) of Public Law 93–251 (H. Doc. No. 96–19); to the Committee on Public Works and Transportation and ordered to be printed.

264. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Rahway River and Van Winkles Brook, in partial response to resolutions of the House and Senate Committees on Public Works (H. Doc. No. 96–20); to the Committee on Public Works and Transportation.

265. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Robinsons Branch, Rahway River at Clark, Scotch Plains, and Rahway, N.J., in partial response to resolutions of the Senate and House Committees on Public Works adopted November 25 and December 11, 1969, respectively (H. Doc. No. 96–21); to the Committee on Public Works and Transportation and ordered to be printed.

266. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Santa Fe River and Arroyo Mascaras, in response to resolutions of the House and Senate Committees on Public Works (H. Doc. No. 96–22); to the Committee on Public Works and Transportation.

267. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Atlantic coast of New York City from Rockaway Inlet to Norton Point, in partial response to Public Law 71–84 and section 2 of Public Law 71–520 (H. Doc. No. 96–23); to the Committee on Public Works and Transportation.

268. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on harbor modification on the Cleveland Harbor, in response to a resolution of the House Committee on Public Works and Transportation (H. Doc. No. 96–24); to the Committee on Public Works and Transportation.

269. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Saw Mill Run, Pittsburgh, Pa., in

response to a resolution of the House Committee on Public Works and Transportation (H. Doc. No. 96–25); to the Committee on Public Works and Transportation.

270. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the upper Cheyenne River and tributaries, S. Dak. and Wyo., in response to resolutions of the Senate and House Committees on Public Works adopted January 23 and May 8, 1964, respectively; to the Committee on Public Works and Transportation.

271. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Blair and Sitcum Waterways, Tacoma Harbor, Wash., in partial response to section 209 of the Flood Control Act of 1962 (H. Doc. 96–26); to the Committee on Public Works and Transportation.

272. A letter from the Secretary of the Army, transmitting the findings of the Chief of Engineers on Blair and Sitcum Waterways, Tacoma Harbor, Wash., pursuant to section 101(c) of Public Law 94–587; to the Committee on Public Works and Transportation.

273. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Chehalis River at South Aberdeen and Cosmopolis, Wash., in partial response to a resolution of the House Committee on Flood Control (H. Doc. 96–27); to the Committee on Public Works and Transportation.

274. A letter from the Deputy Under Secretary of the Army, transmitting the annual report on the status of cooperation agreements on water resource projects, pursuant to section 221(e) of Public Law 91–611; to the Committee on Public Works and Transportation.

275. A letter from the Secretary of Transportation, transmitting the Department's final conclusions on the impact of the trans-Alaska pipeline construction traffic on the Alaska highway system, pursuant to section 151(a) of Public Law 94–280; to the Committee on Public Works and Transportation.

276. A letter from the Assistant Secretary of Transportation for Governmental Affairs, transmitting a report on each proposed and each final regulation that the Department of Transportation expects to publish in the Federal Register during the upcoming 6-month period; to the Committee on Public Works and Transportation.

277. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting the Agency's semiannual report on the effectiveness of the civil aviation security program, covering the period January 1–June 30, 1978, pursuant to section 315(a) of the Federal Aviation Act of 1958, as amended (88 Stat. 415); to the Committee on Public Works and Transportation.

278. A letter from the Chairman, Civil Aeronautics Board, transmitting the Board's annual report for fiscal year 1977, pursuant to section 205 of the Federal Aviation Act of 1958; to the Committee on Public Works and Transportation.

279. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the national water quality inventory report for 1977, pursuant to section 305(b) of the Federal Water Pollution Control Act, as amended (86 Stat. 854); to the Committee on Public Works and Transportation.

280. A letter from the Administrator of General Services, transmitting a prospectus proposing the continued lease of space at 820 Elkridge Landing Road, Friendship, Md., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

281. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of a letter the Board sent to the Office of Management and Budget requesting a partial exemptiton to the hiring limitation imposed by the President on October 24, 1978, pursuant to section 304 (b)(7) of Public Law 93–633; to the Committee on Public Works and Transportation.

282. A letter from the Secretary of Commerce, transmitting the fourth annual report on implementation of the Federal Fire Prevention and Control Act of 1974, covering calendar year 1977, pursuant to section 16 of the act; to the Committee on Science and Technology.

283. A letter from the Under Secretary of Energy, transmitting a preliminary application and system design study of solar photovoltaic applications at Federal installations, pursuant to section 208(a)(1) of Public Law 95–238; to the Committee on Science and Technology.

284. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period January 1, 1978 through June 30, 1978, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Technology.

285. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–April 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

286. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–May 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

287. A letter from the Under Secretary of Defense (Research and Engineering); transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–June 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

288. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Department of Defense procurement from small and other business firms for October 1977–July 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

289. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October 1977 through August 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

290. A letter from the Administrator, Small Business Administration, transmitting the Agency's annual report for fiscal year 1977, together with the Agency's balance sheets, lists of approved loans and contracts, and other statistical data, pursuant to 15 U.S.C. 639(a)(b), and 687(g)(2); to the Committee on Small Business.

291. A letter from the Administrator of Veterans' Affairs, transmitting a report on the need for computing the percentage of students enrolled in courses at educational institutions who are receiving Federal grants, pursuant to section 305(a)(3) of Public Law 95–202; to the Committee on Veterans' Affairs.

292. A letter from the Administrator of Veterans' Affairs, transmitting the annual report for fiscal year 1978 on the nature and disposition of all cases in which an institution approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission or intimation, pursuant to 38 U.S.C. 1796(d); to the Committee on Veterans' Affairs.

293. A letter from the Administrator of Veterans' Affairs, transmitting a report on the need for legislative or administrative action on standards of progress to qualify for VA educational benefits, pursuant to section 305(b)(2)(B) of Public Law 95–202; to the Committee on Veterans' Affairs.

294. A letter from the Administrator of Veterans' Affairs, transmitting reports covering fiscal year 1978 on exchange of medical information and sharing of medical resources, pursuant to 38 U.S.C. 5057; to the Committee on Veterans' Affairs.

295. A communication from the President of the United States, transmitting his determination to provide import relief with respect to high carbon ferrochromium which differs from that recommended by the U.S. International Trade Commission, pursuant to section 203(b)(1) of the Trade Act of 1974 (H. Doc. 96–28); to the Committee on Ways and Means and ordered to be printed.

296. A communication from the President of the United States, transmitting his determination that import relief for the U.S. unwrought, unalloyed copper industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–29); to the Committee on Ways and Means and ordered to be printed.

297. A communication from the President of the United States, transmitting his determination that import relief for the domestic bicycle tire and tube industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–30); to the Committee on Ways and Means and ordered to be printed.

298. A communication from the President of the United States, transmitting his determination that import relief for the U.S. artificial bait and flies industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96–31); to the Committee on Ways and Means and ordered to be printed.

299. A communication from the President of the United States, transmitting his determination to provide import relief with respect to iron or steel bolts, nuts, and large screws which differs from that recommended by the U.S. International Trade Commission, pursuant to section 203(b)(1) of the Trade Act of 1974 (H. Doc. No. 96–32); to the Committee on Ways and Means and ordered to be printed.

300. A communication from the President of the United States, transmitting notice of several trade agreements reached in the Tokyo Round of multilateral trade negotiations, pursuant to section 102(e)(1) of the Trade Act of 1974 (H. Doc. No. 96–33); to the Committee on Ways and Means and ordered to be printed.

301. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report of the Industry Sector Advisory Committees on the United States-Indian Tropical Products Agreement entered into on July 26, 1978, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

302. A letter from the Executive Director, Advisory Committee for Trade Negotiations, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting the committee's report on the United States-United Mexican States Bilateral Trade Agreement entered into on December 2, 1977, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

303. A letter from the Executive Director, Advisory Committee for Trade Negotiations, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting the committee's report on the United States-Indian Bilateral Trade

Agreement entered into on July 26, 1978, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

304. A letter from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting the committee's report on the United States-United Mexican Bilateral Trade Agreement entered into on December 2, 1977, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

305. A letter from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting the committee's report on the United States-Indian Tropical Products Agreement entered into on July 26, 1978, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

306. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1980; to the Committee on Ways and Means.

307. A letter from the Vice Chairman, U.S. International Trade Commission, transmitting the Commission's 16th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MIKVA (for himself, Mr. ANDERSON of Illinois, Mr. FOLEY, Mr. CONABLE, Mr. UDALL, Mr. WIRTH, Mr. AKAKA, Mr. ALBOSTA, Mr. ASHLEY, Mr. ATKINSON, Mr. AUCOIN, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BINGHAM, Mr. BLANCHARD, Mr. BOLAND, Mr. BOLLING, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CONTE, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. D'AMOURS, Mr. DASCHLE, Mr. DELLUMS, Mr. DICKS, Mr. DIXON, Mr. DONNELLY, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DRINAN, Mr. ECKHARDT, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAZIO, Mrs. FENWICK, Mr. FISHER, Mr. FLOOD, Mr. FOLEY, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GEPHARDT, Mr. GILMAN, Mr. GIAIMO, Mr. GLICKMAN, Mr. GORE, Mr. GREEN, Mr. GUDGER, Mr. HALL of Ohio, Mr. HANLEY, Mr. HARKIN, Mr. HARRIS, Mr. HEFTEL, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Mr. JEFFORDS, Mr. JENRETTE, Mr. KOGOVSEK, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LELAND, Mr. LOWRY, Mr. LUKEN, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MAGUIRE, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. NELSON, Mr. NOLAN, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEASE, Mr. PEPPER, Mr. PEYSER, Mr. PREYER, Mr. PRICE, Mr. PRITCHARD, Mr. RANGEL, Mr. RATCHFORD, Mr. REUSS, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SHANNON, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. ST GERMAIN, Mr. STOCKMAN, Mr. STUDDS, Mr. SWIFT, Mr. TRAXLER, Mr. VAN DEERLIN, Mr. VANIK, Mr. VENTO, Mr. WALGREN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS of Montana, Mr. WOLPE, Mr. WON PAT and Mr. YATES):

H.R. 1. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives; to the Committee on House Administration.

By Mr. BLANCHARD (for himself, Mr. MINETA, and Mr. GEPHARDT):

H.R. 2. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; to the Committees on Government Operations and Rules.

By Mr. PHILLIP BURTON:

H.R. 3. A bill to amend the act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER (for himself and Mr. HAWKINS):

H.R. 4. A bill to amend title VII of the Civil Rights Act of 1964 to provide protection against employment discrimination to older Americans, and for other purposes; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 5. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 6. A bill to preserve and promote the resources of the Connecticut River Valley, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 7. A bill to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL (for himself, Mr. KASTENMEIER, and Mr. SEIBERLING):

H.R. 8. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LEDERER:

H.R. 9. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition for elementary and secondary education; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. EDWARDS of California, Mr. CONYERS, Mr. DANIELSON, Mr. DRINAN, Ms. HOLTZMAN, Mr. MAZZOLI, Mr. HARRIS, Mr. HUGHES, and Mr. RAILSBACK):

H.R. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 11. A bill to amend the Saccharin Study and Labeling Act to extend from 18 to 36 months the period during which the Secretary of Health, Education, and Welfare may not take certain action restricting the continued use of saccharin as a food, drug, and cosmetic to the Committee on Interstate and Foreign Commerce.

H.R. 12. A bill to amend the Federal Food, Drug, and Cosmetic Act to delete certain requirements applicable to food additives and color additives; to the Committee on Interstate and Foreign Commerce.

Mr. CONABLE:

H.R. 13. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 14. A bill to amend titles II and XVIII of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to restore the long-range soundness of the old age, survivors and disability insurance system, to repeal special statutory increases in the earnings base (leaving such base subject to annual adjustment as under prior law), to provide mandatory social security coverage for Federal employees, to establish a working spouse's benefit, to make appropriate adjustments in social security tax rates (generally lowering the OASDHI rate through this century) and in Disability Insurance Trust Fund allocations, and to provide for partial financing of the Hospital Insurance program from general revenues; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CONYERS (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. ANDERSON of California, Mr. AUCOIN, Mr. BINGHAM, Mr. BOLAND, Mr. BOLLING, Mr. BRADEMAS, Mr. BRODHEAD, Mr. BROWN of California, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CORMAN, Mr. COTTER, Mr. DELLUMS, Mr. DERRICK, Mr. DIGGS, Mr. DIXON, Mr. DODD, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. DUNCAN of Oregon, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Mr. FISH, Mr. FISHER, Mr. FITHIAN, Mr. FLOOD, Mr. FORD of Tennessee, Mr. FOWLER, Mr. GARCIA, Mr. GINGRICH, Mr. GONZALEZ, Mr. GRAY, Mr. HALL of Ohio, Mr. HAWKINS, Mr. HOLLENBECK, Mr. HOWARD, Mr. JACOBS, Mr. JENKINS, Mr. JOHNSON of California, Mr. KILDEE, Mr. LELAND, Mr. LLOYD, Mr. MCHUGH, Mr. MAGUIRE, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Ms. MIKULSKI, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOTTL, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. NOLAN, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PRITCHARD, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SABO, Mr. ST GERMAIN, Mr. SEIBERLING, Mr. SIMON, Mrs. SPELLMAN, Mr. STARK, Mr. STEWART, Mr. STOKES, Mr. THOMPSON, Mr. WEAVER, Mr. CHARLES WILSON of Texas, Mr. WON PAT, and Mr. YATRON):

H.R. 15. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 16. A bill to provide a program of national health insurance, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS (for himself and Mr. HANSEN):

H.R. 17. A bill to provide for and maintain the continued existence of a viable U.S. sugar industry; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. ULLMAN:

H.R. 18. A bill to amend the act of October 20, 1976, relating to payments to local governments based upon certain public lands within the boundaries of the jurisdiction of such governments, to include payments for lands on which are located a bombing range utilized primarily by aircraft stationed outside of the State in which the range is located; to the Committee on Interior and Insular Affairs.

H.R. 19. A bill to validate Federal reclamation contracts and written representations relating to repayment of allocated costs; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, and Mr. FORSYTHE):

H.R. 20. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CORMAN (for himself, Mr. PEPPER, Mr. STARK, Mr. ADDABBO, Mr. ANDERSON of California, Mr. BONKER, Mr. CLAY, Mr. CONYERS, Mr. DIGGS, Mr. DRINAN, Mr. EDWARDS of California, Mr. FASCELL, Mr. KILDEE, Mr. LEHMAN, Mr. MINISH, Mr. MOAKLEY, Mr. MYERS of Pennsylvania, Mr. OBERSTAR, Mr. REUSS, Mr. RODINO, Mr. ROSENTHAL, Mr. THOMPSON, Mr. WEAVER, Mr. WEISS, and Mr. WON PAT):

H.R. 21. A bill to create a national system of health security; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. BENNETT:

H.R. 22. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes; to the Committee on Armed Services.

H.R. 23. A bill to provide for military registration and mobilization assessment, and for other purposes; to the Committee on Armed Services.

By Mr. BROOKS:

H.R. 24. A bill to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes; to the Committee on Government Operations.

By Mr. CARTER:

H.R. 25. A bill to authorize necessary flood control measures at locations in Kentucky, Virginia, and West Virginia, on an expedited basis, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PERKINS (for himself, Mr. THOMPSON, and Mr. HAWKINS):

H.R. 26. A bill to establish an additional position of Assistant Secretary of Labor; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 27. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to extend the authorizations of appropriations contained in such acts; to the Committee on Education and Labor.

H.R. 28. A bill to amend the Domestic Volunteer Service Act of 1973 to extend certain authorizations of appropriations made by such act; to the Committee on Education and Labor.

By Mr. STUDDS:

H.R. 29. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 30. A bill to repeal the Foreign Intelligence Surveillance Act of 1978; jointly, to the Committees on the Judiciary and the Select Committee on Intelligence.

H.R. 31. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

H.R. 32. A bill to amend part B of title XVIII of the Social Security Act to provide for fair hearings on disputed medicare claims by an impartial person other than a carrier; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. LEDERER:

H.R. 33. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. COUGHLIN:

H.R. 34. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 35. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 36. A bill to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 37. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANNUNZIO:

H.R. 38. A bill to amend the Home Owners' Loan Act of 1933 to prohibit Federal Savings and Loan Associations from making variable rate and rollover mortgages and to authorize the Federal Home Loan Bank Board to permit such Associations to issue graduated payment and reverse annuity mortgages; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL (for himself, Mr. SEIBERLING, Mr. PHILLIP BURTON, Mr. BRADEMAS, Mr. STUDDS, Mr. FISH, Mr. PATTERSON, Mr. RANGEL, Mr. BRINKLEY, Mr. CONTE, Mr. VENTO, Mr. KOSTMAYER, Mr. SIMON, Mr. RODINO, Mr. WEAVER, Mr. HUGHES, Mr. CARR, Mrs. SPELLMAN, Mr. GUDGER, Mr. BONKER, Mr. PATTEN, Mr. DAVIS of South Carolina, Mr. BARNES, Mr. WIRTH, Mr. DANIELSON, Mr. BOLAND, Mr. MOAKLEY, Mr. GREEN, Mr. BEILENSON, Mr. CORRADA, Mr. CONYERS, Mr. HOWARD, Mr. MIKVA, Mr. CORMAN, Mr. VANIK, Mr. BRODHEAD, Mr. MINETA, Mr. WAXMAN, Mr. BINGHAM, Mr. FOWLER, Mr. REUSS, Mr. VAN DEERLIN, Mr. HARKIN, Mr. ASPIN, Mr. ROSENTHAL, Mr. LEHMAN, Mr. MARKEY, Mr. DERRICK, Mr. HAWKINS, Mr. KILDEE, Mr. DELLUMS, Mr. ROE, Mr. DRINAN, Mr. BLANCHARD, Mr. FISHER, Mr. EDWARDS of California, Mr. HARRIS, Mr. KASTENMEIER, Mr. LONG of Maryland, Mr. MAGUIRE, Mr. DOWNEY, Mr. WALGREN, Mr. PEASE, Mr. OTTINGER, Mr. RICHMOND, Mr. MOTTL, Mr. MOORHEAD of Pennsylvania, Mr. EDGAR, Mr. GLICKMAN, Mr. SABO, Mr. JEFFORDS, Mr. GARCIA, Mr. HALL of Ohio, Mr. SCHEUER, Mr. BONIOR, Mr. MITCHELL of Maryland, Mr. WOLFF, Mr. HOLLENBECK, Mr. TRAXLER, Mr. PANETTA, Mr. JENRETTE, Mr. FLORIO, Mr. ANDREWS of North Carolina, Mr. GEPHARDT, Mr. FASCELL, Mr. DUNCAN of Tennessee, Mrs. SCHROEDER, Mr. GRADISON, Mr. JOHN BURTON, Mrs. FENWICK, and Mrs. BYRON):

H.R. 39. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and to the Committee on Merchant Marine and Fisheries for a period ending not later than March 19, 1979.

By Mr. BINGHAM:

H.R. 40. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, antique collectors, and pistol clubs; to the Committee on the Judiciary.

By Mr. RAHALL (for himself and Mr. PERKINS):

H.R. 41. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to undertake flood control measures in the Tug and Levisa Forks of the Big Sandy River and the Cumberland River, W. Va. and Ky., and of Grundy, Va.; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL:

H.R. 42. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act, and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Interstate and Foreign Commerce.

H.R. 43. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

H. R. 44. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 45. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

H.R. 46. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, and Mr. HAMMERSCHMIDT):

H.R. 47. A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rate of dependency and indemnity compensation for survivors of disabled veterans; to the Committee on Veterans' Affairs.

By Mr. HARSHA:

H.R. 48. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

By Mr. ERLENBORN:

H.R. 49. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Ms. HOLTZMAN:

H.R. 50. A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that act may have wage differentials based on sex of the employees; to the Committee on Education and Labor.

By Mr. MARKEY (for himself and Mr. DINGELL):

H.R. 51. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for

the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OBERSTAR:

H.R. 52. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 53. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. SYMMS (for himself, Mr. WHITEHURST, Mr. BOB WILSON, Mr. MCDONALD, Mr. KINDNESS, Mr. HANSEN, Mr. GUYER, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. DEVINE, Mr. COLLINS of Texas, Mr. BADHAM, Mr. HAGEDORN, and Mr. GEPHARDT):

H.R. 54. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, to promote the efficient and fair treatment of new drug applications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. HOLT (for herself, Mr. BURGENER, and Mr. MICHEL):

H.R. 55. A bill to improve the congressional budget process by the establishment in the House of Representatives of a two-step budget procedure for the consideration of a first required concurrent resolution on the budget; to the Committee on Rules.

By Mrs. HOLT:

H.R. 56. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

By Mr. NATCHER:

H.R. 57. A bill to extend veteran benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. CONABLE:

H.R. 58. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 59. A bill to provide competition in the domestic crude oil market; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 60. A bill to amend title 23 of the United States Code relating to the withdrawal of routes or portions thereof on the Interstate System; to the Committee on Public Works and Transportation.

By Mr. HORTON:

H.R. 61. A bill to amend title 5 of the United States Code to improve agency rulemaking by establishing paperwork control mechanisms, by expanding opportunities for public participation, and by enabling the President to delay the implementation of certain rules for 1 year to allow a more comprehensive analysis of congressional intent and public impact, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. HORTON (for himself, Mr. BROOKS, and Mr. STEED):

H.R. 62. A bill to improve the economy and efficiency of the Government and the private sector by improving Federal paperwork management, and for other purposes; to the Committee on Government Operations.

By Mr. HORTON:

H.R. 63. A bill to amend title 39 of the United States Code for the purpose of establishing a new procedure for fixing rates and classes of mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STOKES:

H.R. 64. A bill to provide a special program for financial assistance to national community-based organizations of demonstrated effectiveness, in order to provide 1 million new jobs and job training opportunities, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. DERRICK (for himself, Mr. AKAKA, Mr. ANNUNZIO, Mr. BURGENER, Mr. CARR, Mr. CLEVELAND, Mr. D'AMOURS, Mr. DERWINSKI, Mr. DICKS, Mr. DUNCAN of Oregon, Mr. EMERY, Mr. ERTEL, Mr. FASCELL, Mr. FRENZEL, Mr. GEPHARDT, Mr. GIAIMO, Mr. GUDGER, Mr. GUYER, Mr. HOLLAND, Mrs. HOLT, Mr. HYDE, Mr. JACOBS, Mr. JENRETTE, Mr. JONES of Oklahoma, Mr. KINDNESS, Mr. LEE, Mr. LENT, Mr. LUKEN, Mr. MCCORMACK, Mr. MCHUGH, Mr. MAGUIRE, Ms. MIKULSKI, Mr. OTTINGER, Mr. PATTERSON, Mr. PRITCHARD, Mr. PURSELL, Mr. ROUSSELOT, Mr. SANTINI, Mr. SKELTON, Mr. WHITTAKER, Mr. WINN, and Mr. WON PAT):

H.R. 65. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Government Operations, and Rules.

By Mr. PERKINS:

H.R. 66. A bill to amend the Vocational Education Act of 1963 to extend the authorizations of appropriations contained in such act; to the Committee on Education and Labor.

H.R. 67. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 68. A bill to protect the constitutional rights of those subject to the military justice system, to revise the Uniform Code of Military Justice, and for other purposes; to the Committee on Armed Services.

H.R. 69. A bill to amend the Federal Election Campaign Act of 1971 to provide that, with respect to any Federal election, no expenditure may be made by any candidate or political committee unless there are sufficient funds in the checking account maintained by such committee to pay the amount of such expenditure and all other checks drawn on such account and unpaid, and for other purposes; to the Committee on House Administration.

By Mr. FINDLEY (for himself, Mr. PEPPER, and Mr. HAWKINS):

H.R. 70. A bill to amend the Age Discrimination in Employment Act of 1967 to provide that individuals who are 40 years of age or older shall be protected by the provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. O'BRIEN:

H.R. 71. A bill to amend section 553 of title 5, United States Code, to improve Federal rulemaking practice by creating procedures for regulatory issuance in two or more parts; to the Committee on the Judiciary.

H.R. 72. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

By Mr. ROSENTHAL:

H.R. 73. A bill to amend title 5, United States Code, to provide for the establishment of a Special Cost-of-Living Pay Schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas to offset the increased cost of living, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio:

H.R. 74. A bill to establish a program of Federal grants to encourage the employment and training of unemployed individuals; to the Committee on Education and Labor.

H.R. 75. A bill to establish a procedure to reduce the cost of compliance with Federal rules and regulations by requiring the adoption of the most cost-effective alternative; to the Committee on the Judiciary.

H.R. 76. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on Rules.

H.R. 77. A bill to modify the procedures used for the promulgation of rules or regulations by the independent regulatory agencies; to the Committee on the Judiciary.

H.R. 78. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on the Judiciary.

By Mr. CHARLES H. WILSON of California:

H.R. 79. A bill to amend title 39, United States Code, to provide that the chairmen of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. OBEY (for himself, Mr. BALDUS, Mr. KASTENMEIER, Mr. JEFFORDS, and Mr. ASPIN):

H.R. 80. A bill to amend section 201 of the Agriculture Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 percent of the parity price therefor; to the Committee on Agriculture.

By Mr. RODINO (for himself and Mr. DANIELSON):

H.R. 81. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. CORRADA (for himself and Mr. WON PAT):

H.R. 82. A bill to amend the Social Security Act to provide that Federal assistance to Puerto Rico, the Virgin Islands, and Guam under the AFDC, child welfare, and social services programs shall be furnished on the same basis (under the same formula and without specific dollar ceilings) as in the case of other States, and to amend section 228 of such act to extend to Puerto Rico, the Virgin Islands, and Guam the program of special benefits at age 72 for certain uninsured individuals; to the Committee on Ways and Means.

H.R. 83. A bill to amend title XVI of the Social Security Act and related laws to extend the supplemental security income benefits program to Puerto Rico, the Virgin Islands, and Guam on the same basis as the States; to the Committee on Ways and Means.

By Mr. MCCLORY:

H.R. 84. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of

the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. MURPHY of New York, Mr. TREEN, Mr. SNYDER, Mr. JONES of North Carolina, Mr. PRITCHARD, Mr. DE LA GARZA, Mr. YOUNG of Alaska, Mr. PATTERSON, Mr. BAUMAN, Mr. GINN, Mr. LENT, Mr. HUBBARD, Mr. EVANS of Delaware, Mr. BONKER, Mr. FORSYTHE, Mr. D'AMOURS, Mr. EMERY, Mr. OBERSTAR, Mr. DORNAN, Mr. HUGHES, Mr. TRIBLE, Ms. MIKULSKI, Mr. BONIOR, Mr. AKAKA, Mr. BOWEN, and Mr. ZEFERETTI):

H.R. 85. A bill to provide a comprehensive system of liability and compensation for oil-spill damage and removal costs, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. BOB WILSON:

H.R. 86. A bill to amend section 907 of title 37, United States Code, relating to pay and allowances of enlisted members of the uniformed services who are appointed officers, and for other purposes; to the Committee on Armed Services.

By Mr. SMITH of Iowa:

H.R. 87. A bill to require the consideration of environmental and other factors, and the stockpiling and replacement of soil on all public works projects and highway and other projects which are federally assisted, on federally held land, and on projects which affect commerce among the States, or the general welfare and quality of life of the Nation; jointly to the Committees on Public Works and Transportation, and Agriculture.

H.R. 88. A bill to clarify the eligibility of certain small businesses for loans under the Small Business Act, to aid, protect, and preserve small businesses in meat production and marketing, and for other purposes; jointly to the Committees on Agriculture, and Small Business.

H.R. 89. A bill to amend the Commodity Exchange Act to require public disclosure of certain information relating to sales of commodities for export, and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, and Mr. MCDADE):

H.R. 90. A bill to amend the Small Business Act and Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. SMITH of Iowa (for himself and Mr. CONTE):

H.R. 91. A bill to change the method and procedure of selling all meat commodities; to provide for licensing and regulating of market price reporting services; to insure proper market for sales and thereby prevent manipulation of prices in meat trading (selling) and the creation of a Meat Industry Standards Board to implement these objectives; to research the establishment of a centralized national market system; to the Committee on Agriculture.

By Mr. SMITH of Iowa:

H.R. 92. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. AKAKA (for himself and Mr. HEFTEL):

H.R. 93. A bill to amend the Indian Education Act and certain other related education assistance programs to provide Federal financial assistance to Hawaiian Natives, and for other purposes; to the Committee on Education and Labor.

By Mr. HARSHA:

H.R. 94. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until the development of a satisfactory alternative food preservative; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

By Mr. YATES:

H.R. 95. A bill to designate the Indiana Dunes National Lakeshore as the "Paul H. Douglas Indiana Dunes National Lakeshore"; to the Committee on Interior and Insular Affairs.

By Mr. COLEMAN (for himself, Mr. DANNEMEYER, Mr. KRAMER, Mr. HYDE, Mr. LEE, Mr. TREEN, Mr. O'BRIEN, Mr. SCHULZE, Mr. MONTGOMERY, Mr. MOTTL, Mr. LAGOMARSINO, Mr. MYERS of Indiana, Mr. BADHAM, Mr. BUCHANAN, Mr. DORNAN, Mr. YOUNG of Florida, Mr. SENSENBRENNER, Mr. WALKER, Mr. YOUNG of Alaska, Mr. GRISHAM, Mr. CORCORAN, Mr. BOB WILSON, Mr. SHUMWAY, Mr. CHENEY, Mr. SEBELIUS, Mr. HILLIS, Mr. APPLEGATE, Mr. DAN DANIEL, Mr. COLLINS, of Texas, Mr. ROUSSELOT, Mr. WINN, Mr. RUDD, and Mr. YATRON):

H.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. STEED (for himself, Mr. JONES of Oklahoma, Mr. ENGLISH, Mr. WATKINS, Mr. EDWARDS of Oklahoma, and Mr. SYNAR):

H.J. Res. 3. Joint resolution designating November 4, 1979, as "Will Rogers Day"; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL:

H.J. Res. 4. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.J. Res. 5. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

By Mr. LATTA (for himself, Mr. SOLOMON, Mr. KRAMER, Mr. ROUSSELOT, Mr. DAVIS of Michigan, Mr. DORNAN, Mr. BAFALIS, Mr. SENSENBRENNER, Mr. HYDE, Mr. GUYER, Mr. LAGOMARSINO, Mr. GRISHAM, Mr. MILLER of Ohio, Mr. RUDD, Mr. DEVINE, Mrs. HOLT, Mr. SNYDER, and Mr. SEBELIUS):

House Joint Resolution 6. Joint resolution proposing an amendment to the Constitution to prohibit the Congress from making any law which would cause the total amount of the expenditures by the United States in any fiscal year to exceed the total amount of the revenues received during that fiscal year, and which would require the Congress to provide a reasonable sum of money in each fiscal year to be applied on the repayment of the national debt; to the Committee on the Judiciary.

By Mr. DANIELSON:

House Joint Resolution 7. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. LEVITAS:

House Joint Resolution 8. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. BOLAND:

House Joint Resolution 9. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. DERWINSKI:

House Joint Resolution 10. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. BENNETT:

House Joint Resolution 11. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 12. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

H.J. Res. 13. Joint resolution proposing amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. BAFALIS (for himself, Mr. LOTT, Mr. MOTTL, Mr. DANIEL CRANE, Mr. GUYER, Mr. ROBERT W. DANIEL, Jr., Mr. KINDNESS, Mr. TREEN, Mr. WINN, Mr. YOUNG of Florida, Mr. HYDE, Mr. HAGEDORN, Mr. MONTGOMERY, Mr. ROUSSELOT, Mr. DEVINE, Mr. DORNAN, Mr. STOCKMAN, Mr. DUNCAN of Tennessee, Mr. MATHIS, Mr. BUCHANAN, Mr. LENT, Mr. HUCKABY, Mr. BENJAMIN, Mr. MURPHY of Pennsylvania, Mr. BADHAM, Mr. IRELAND, Mr. BUTLER, Mr. LAGOMARSINO, Mr. SCHULZE, Mr. VANDER JAGT, Mr. KELLY, Mr. COLLINS of Texas, Mr. MARTIN, Mr. ANDREWS of North Dakota, Mr. SNYDER, Mr. CLEVELAND, Mr. BURGENER, Mr. GRASSLEY, Mr. ENGLISH, Mr. EDWARDS of Alabama, Mr. CHARLES WILSON of Texas, Mr. MARRIOTT, Mr. LATTA, Mr. SYMMS, Mr. O'BRIEN, Mr. ROBINSON, Mr. BAUMAN, Mr. ABDNOR, Mr. GOLDWATER, Mrs. HOLT, Mr. SPENCE, Mr. MCDONALD, Mr. HARSHA, Mr. JACOBS, Mr. MOORE, Mr. RUNNELS, Mr. BEARD of Tennessee, Mr. CHAPPELL, Mr. DAVIS of Michigan, Mr. CAMPBELL, Mr. GINGRICH, Mr. SENSENBRENNER, Mr. LEE, Mr. SOLOMON, Mr. KRAMER, Mr. GRISHAM, Mr. SHUMWAY, Mr. LOEFFLER, Mr. HINSON, Mr. LUNGREN, Mr. WALKER, Mr. HOLLAND, Mr. HOPKINS, Mr. BROYHILL, Mr. WHITTAKER, Mr. BROOMFIELD, Mr. RUDD, Mr. ICHORD, Mr. WHITEHURST, Mr. EDWARDS of Oklahoma, Mr. MADIGAN, Mr. REGULA, Mr. HANSEN, Mr. MCCLOSKEY, Mr. SHUSTER, Mr. LIVINGSTON, Mr. SEBELIUS, Mr. QUAYLE, Mr. WYLIE, Mr. TAYLOR, Mr. EVANS of Delaware, Mr. HAMMERSCHMIDT, Mr. WAMPLER, Mr. LUJAN, Mr. YOUNG of Alaska, Mr. STANGELAND, Mr. DICKINSON, Mrs. SMITH of Nebraska, Mr. MITCHELL of New York, and Mr. HALL of Texas):

H.J. Res. 14. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H. Con. Res. 2. Concurrent resolution establishing a Commission on Legislative-Judicial

Relations; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H. Con. Res. 3. Concurrent resolution expressing the sense of the Congress that "Our American Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American Merchant Marine; to the Committee on Merchant Marine and Fisheries.

By Mr. WOLFF (for himself, Mr. RODINO, Mr. BIAGGI, Mrs. COLLINS of Illinois, Mr. DE LA GARZA, Ms. MIKULSKI, Mr. NEAL, Mr. MURPHY of Illinois, Mr. RANGEL, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. ZEFERETTI, Mr. AKAKA, Mr. BEARD of Tennessee, Mr. GILMAN, Mr. GUYER, Mr. FASCELL, Mr. DORNAN, Mrs. BOGGS, and Mr. RAILSBACK):

H. Res. 13. Resolution providing for the establishment of the Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

By Mr. HAGEDORN:

H. Res. 14. Resolution to amend the Rules of the House of Representatives to require that each introduced bill and resolution contain a statement of the constitutional basis of authority for the bill; to the Committee on Rules.

By Mr. WHITE (for himself, Mr. GRAMM, and Mr. LOTT):

H.J. Res. 15. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.J. Res. 16. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ABDNOR:

H.J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.J. Res. 18. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO:

H.J. Res. 20. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. ARCHER:

H.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. BEDELL:

H.J. Res. 22. Joint resolution proposing an amendment to the Constitution of the United States to provide 4-year terms for Members of the House of Representatives, and to limit the number of consecutive terms that Representatives and Senators may serve, and for other purposes; to the Committee on the Judiciary.

By Mr. ROUSSELOT (for himself, Mr. MCDONALD, Mr. SYMMS, Mr. PAUL, Mr. ASHBROOK, and Mr. COLLINS of Texas):

H.J. Res. 23. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

By Mr. BENNETT:

H.J. Res. 24. Joint resolution proposing an amendment to the Constitution to provide for the direct election of the President and the Vice President, and to authorize Congress to establish procedures relating to the nomination of Presidential and Vice-Presidential candidates; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.J. Res. 25. Joint resolution to authorize the President to proclaim the week of June 29 through July 5 as "Why I love America Week"; to the Committee on Post Office and Civil Service.

By Mr. CLAUSEN:

H.J. Res. 26. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President, and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H.J. Res. 27. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes, and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

H.J. Res. 28. Joint resolution authorizing the President to designate October 7, 1979, as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. DE LA GARZA:

H.J. Res. 29. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations shall not exceed revenues of the United States, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.J. Res. 30. Joint resolution to provide independence for Puerto Rico; to the Committee on Interior and Insular Affairs.

By Mr. DRINAN:

H.J. Res. 31. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.J. Res. 32. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 33. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. GINN:

H.J. Res. 35. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war and economic emergency declared by the Congress, expenditures of the Government may not exceed revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.J. Res. 36. Joint resolution to provide for the convening of an International Conference on Communication and Information, and for other purposes; to the Committee on International Relations.

H.J. Res. 37. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 38. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. GRAMM:

H.J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States which prohibits the Congress from making any law which causes the total amount of money expended by the United States in any fiscal year to exceed the total amount of revenue of the United States received during that fiscal year; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 40. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 42. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority to the Committee on the Judiciary.

H.J. Res. 43. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 44. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

H.J. Res. 45. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

H.J. Res. 46. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HANSEN:

H.J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 48. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 49. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. HILLIS:

H.J. Res. 50. Joint resolution proposing an amendment to the Constitution of the United States to provide a 6-year term for President and for Vice President and a 3-year term for Representatives and to limit the total number of years for which Senators and Representatives may serve; to the Committee on the Judiciary.

H.J. Res. 51. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 52. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

By Mrs. HOLT (for herself, Mr. DICKINSON, Mr. MARTIN, and Mr. ROUSSELOT):

H.J. Res. 53. Joint resolution to amend the Constitution of the United States to require a balanced Federal budget; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 54. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

By Mr. HYDE:

H.J. Res. 55. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. HYDE (for himself, Mr. DAVIS of Michigan, Mr. DERWINSKI, Mr. DOUGHERTY, and Mr. YOUNG of Missouri):

H.J. Res. 56. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.J. Res. 57. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. KAZEN:

H.J. Res. 58. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.J. Res. 59. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 60. Joint resolution proposing an amendment to the Constitution of the United States relating to the compensation of Senators and Representatives, providing that no increase in compensation shall take effect earlier than the following Congress; to the Committee on the Judiciary.

H.J. Res. 61. Joint resolution proposing an amendment to the Constitution of the United States to prohibit any Member of Congress sentenced for conviction of a felony during a session of Congress from continuing to serve as a Member of such Congress after the date of such sentencing; to the Committee on the Judiciary.

H.J. Res. 62. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

H.J. Res. 63. Joint resolution proposing an amendment to the Constitution of the United States to require a two-thirds vote of each House to increase taxes; to the Committee on the Judiciary.

By Mr. LENT:

H.J. Res. 64. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. LLOYD:

H.J. Res. 65. Joint resolution proposing an amendment to the Constitution of the United States providing that the terms of office of Members of the House of Representatives shall be 4 years, and for other purposes; to the Committee on the Judiciary.

By Mr. LUKEN:

H.J. Res. 66. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 67. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. MARRIOTT:

H.J. Res. 68. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 18, 1979, as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. MONTGOMERY, Mr. JENRETTE, Mrs. HOLT, Mr. PRICE, Mr. EDWARDS of California, Mr. GINN, Mr. LAGOMARSINO, Mr. BALDUS, and Mr. JOHNSON of California):

H.J. Res. 69. Joint resolution designating the "square dance" as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

Mr. MITCHELL of New York:

H.J. Res. 70. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer and religious instruction; to the Committee on the Judiciary.

H.J. Res. 71. Joint resolution to authorize and request the President to proclaim the second week in April of each year as "National Medical Laboratory Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 72. Joint resolution to authorize and request the President to proclaim May 7 of each year as a National Day of Prayer; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of California:

H.J. Res. 73. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. MOTTL:

H.J. Res. 74. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

By Mr. NEAL:

H.J. Res. 75. Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in cases of war or grave national emergency as determined by the Congress, expenditures of the United States in each fiscal year shall not exceed 20 percent of the gross national product for the preceding calendar year, and expenditures of the United States in each fiscal year shall not exceed revenues of the United States for that fiscal year; to the Committee on the Judiciary.

By Mr. ROBINSON:

H.J. Res. 76. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 77. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

H.J. Res. 78. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of the Congress; to the Committee on the Judiciary.

H.J. Res. 79. Joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day"; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 80. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1979, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SMITH of Iowa:

H.J. Res. 81. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the offices of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. SNYDER:

H.J. Res. 82. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. SPENCE:

H.J. Res. 83. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.J. Res. 84. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. SYMMS:

H.J. Res. 85. Joint resolution proposing the Bricker amendment to the Constitution of the United States relative to force and effect of treaties and Executive agreements; to the Committee on the Judiciary.

By Mr. TREEN (for himself, Mr. McCLORY, Mr. LIVINGSTON, Mr. MOORE, Mr. QUAYLE, Mr. SNYDER, Mr. ROUSSELOT, Mr. SIMON, Mr. WALKER, Mr. MONTGOMERY, Mr. HALL of Texas, Mr. KINDNESS, Mr. LOTT, Mr. BURGENER, Mr. SHUSTER, Mr. BADHAM, Mr. LAGOMARSINO, Mr. SEBELIUS, Mr. WINN, Mr. RUDD, Mr. O'BRIEN, Mr. DAN DANIEL, Mr. MARRIOTT, Mr. YOUNG of Florida, Mr. DEVINE, Mr. COLLINS of Texas, and Mr. McDONALD):

H.J. Res. 86. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.J. Res. 87. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 88. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. VOLKMER (for himself and Mr. YOUNG of Missouri):

H.J. Res. 89. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. VOLKMER (for himself, Mr. YOUNG of Missouri, and Mr. GEPHARDT):

H.J. Res. 90. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. WHITE:

H.J. Res. 91. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 92. Joint resolution calling for a wildlife preserve for humpback whales in the West Indies; to the Committee on International Relations.

By Mr. WON PAT:

H.J. Res. 93. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. WYLIE:

H.J. Res. 94. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1985, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 95. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1983, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 96. Joint resolution to amend the Constitution of the United States to provide Federal budget outlays made by the United States after September 30, 1984, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 97. Joint resolution to amend the Constitution of the United States to provide that Federal expenditures and budget outlays shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 98. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1982 shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

By Mr. YATRON:

H.J. Res. 99. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 100. Joint resolution to authorize the President to issue a proclamation designating March 1979, as "Youth Art Month"; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Missouri (for himself, Mr. GEPHARDT, Mr. VOLKMER, and Mr. HYDE):

H.J. Res. 101. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Con. Res. 4. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. BEDELL:

H. Con. Res. 5. Concurrent resolution relative to the evaluation of certain strategic nuclear capabilities of the United States and Russia; jointly, to the Committees on Armed Services and International Relations.

By Mr. BINGHAM:

H. Con. Res. 6. Concurrent resolution authorizing a bust or statue of Martin Luther King Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. COLLINS of Texas:

H. Con. Res. 7. Concurrent resolution to provide, subject to certain exceptions, that the House of Representatives may meet only on certain days; to the Committee on Rules.

By Mr. DRINAN:

H. Con. Res. 8. Concurrent reoslution urging the participation of the United States in the review of the United Nations Charter, and for other purposes; to the Committee on International Relations.

By Mr. EVANS of Georgia:

H. Con. Res. 9. Concurrent resolution disapproving a proposed revenue procedure of the Internal Revenue Service relating to private tax-exempt schools; to the Committee on Ways and Means.

By Mr. GUYER:

H. Con. Res. 10. Concurrent resolution to express the sense of Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia; to the Committee on International Relations.

H. Con. Res. 11. Concurrent resolution expressing the sense of Congress with respect to the Internal Revenue Service's proposed procedure on private tax-exempt schools; to the Committee on Ways and Means.

By Mr. HANSEN:

H. Con. Res. 12. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on International Relations.

H. Con. Res. 13. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLIS:

H. Con. Res. 14. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not reduce the frequency of mail delivery service; to the Committee on Post Office and Civil Service.

H. Con. Res. 15. Concurrent resolution to create the Claude Pepper senior citizen intern program; to the Committee on House Administration.

By Mrs. HOLT:

H. Con. Res. 16. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. LLOYD:

H. Con. Res. 17. Concurrent resolution expressing the sense of the Congress that buildings should be accessible to the handicapped; to the Committee on Education and Labor.

By Mr. MITCHELL of New York:

H. Con. Res. 18. Concurrent resolution to provide for the procurement and display in the Capitol of a facsimile of the Constitution of the United States; to the Committee on House Administration.

H. Con. Res. 19. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic churches in Ukraine; to the Committee on International Relations.

By Mr. YOUNG of Florida:

H. Con. Res. 20. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. BAFALIS:

H. Res. 15. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

By Mr. DELLUMS:

H. Res. 16. Resolution creating a special committee to study the status of land grants from the King of Spain and the Government of Mexico; to the Committee on Rules.

By Mr. DRINAN:

H. Res. 17. Resolution expressing the sense of the House of Representatives with respect to the selection of a site other than the Soviet Union for the 1980 summer Olympic games; to the Committee on International Relations.

By Mr. EDGAR:

H. Res. 18. Resolution expressing the sense of the House of Representatives with respect to the United Nations Conference on the Law of the Sea and urging the establishment of a Common Heritage Fund; to the Committee on International Relations.

By Mr. GUYER:

H. Res. 19. Resolution to reaffirm the use of our national motto on currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 20. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

H. Res. 21. Resolution ot amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. HANSEN:

H. Res. 22. Resolution expressing the sense of the House with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in

the Canal Zone; to the Committee on Merchant Marine and Fisheries.

H. Res. 23. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mrs. HOLT:

H. Res. 24. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the cost, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. HORTON (for himself, and Mr. STEED):

H. Res. 25. Resolution amending clause 7 of rule XIII of the Rules of the House; to the Committee on Rules.

By Mr. KOSTMAYER:

H. Res. 26. Resolution amending the Rules of the House of Representatives to provide that the Committee on Standards of Official Conduct shall promptly report a resolution recommending the expulsion of any Member who has been convicted by a court of record for the commission of a crime for which a sentence of 2 or more years' imprisonment may be imposed, if such conviction has become final; to the Committee on Rules.

H. Res. 27. Resolution amending the Rules of the House of Representatives to provide that any Member who has been convicted of crime and sentenced to 2 or more years in prison and who has exhausted all appeals of such conviction shall refrain from participation in any business of the House; to the Committee on Standards of Official Conduct.

By Mr. LAGOMARSINO:

H. Res. 28. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. LOTT (for himself, Mr. RHODES, Mr. ANDERSON of Illinois, Mr. MICHEL, Mr. EDWARDS of Alabama, Mr. QUILLEN, Mr. DEVINE, and Mr. SHUSTER):

H. Res. 29. Resolution providing for the establishment of a Select Committee on the Committee System; to the Committee on Rules.

By Mr. McDONALD:

H. Res. 30. Resolution to establish a Select Committee to Investigate Illegal or Unethical Practices of the Internal Revenue Service; to the Committee on Rules.

By Mr. MITCHELL of New York:

H. Res. 31. Resolution concerning the Safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. NEAL:

H. Res. 32. Resolution to establish a Select Committee on Inflation; to the Committee on Rules.

By Mr. O'BRIEN:

H. Res. 33. Resolution to establish a Select Committee on Handicapped Individuals; to the Committee on Rules.

By Mr. PEYSER:

H. Res. 34. Resolution to request the Speaker of the House of Representatives to establish a Task Force on Federal Regulatory Practices; to the Committee on Rules.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT):

H. Res. 35. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs; to the Committee on House Administration.

By Mr. ROBINSON:

H. Res. 36. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. ROE:

H. Res. 37. Resolution to create a congressional senior citizen intern program; to the Committee on House Administration.

By Mr. SCHEUER (for himself and Mr. ERLENBORN):

H. Res. 38. Resolution establishing a Select Committee on Population; to the Committee on Rules.

By Mr. VANIK (for himself, Mr. FINDLEY, Mr. LONG of Maryland, Mr. ANDERSON of California, Mr. APPLEGATE, Mr. BENJAMIN, Mr. BUCHANAN, Mr. CORRADA, Mr. DRINAN, Mr. EDWARDS of California, Mr. ERTEL, Mr. GORE, Mr. HARRIS, Mr. JONES of Oklahoma, Mr. LOWRY, Mr. LUKEN, Mr. MARKEY, Mr. MOTTL, Mr. RINALDO, Mr. SKELTON, Mr. WEISS, Mr. WINN, Mr. GINN, Mr. GEPHARDT, Mr. GONZALEZ, and Mr. DUNCAN of Tennessee):

H. Res. 39. Resolution to establish a Select Committee on Inflation; to the Committee on Rules.

By Mr. WEISS:

H. Res. 40. Resolution to amend the Rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein; to the Committee on Rules.

By Mr. WHITE:

H. Res. 41. Resolution relating to voluntary pooling of clerk-hire funds; to the Committee on House Administration.

By Mr. YOUNG of Florida:

H. Res. 42. Resolution to reaffirm the use of our national motto on coins and currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 43. Resolution to reaffirm the use of the phrase, "Under God", in the Pledge of Allegiance to the Flag of the United States; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

1. By the SPEAKER: Memorial of the General Assembly of the State of New Jersey, relative to extending the anti-recession fiscal aid program; to the Committee on Government Operations.

2. Also, memorial of the Legislature of the Commonwealth of Puerto Rico, relative to their repudiation of the Resolution of the United Nations Decolonization Committee regarding Puerto Rico's status; to the Committee on Interior and Insular Affairs.

3. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their repudiation of interference by Representatives of Communist Cuba in the affairs of Puerto Rico in the United Nations Organization's Decolonization Committee; to the Committee on Interior and Insular Affairs.

4. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to the Overseas Private Investment Corporation extending loans to U.S. companies for viable economic projects in the Northern Mariana Islands; to the Committee on International Relations.

5. Also, memorial of the Legislature of the State of Texas, requesting that Congress propose, or alternatively, call a convention for the purpose of proposing an amendment to the Constitution of the United States requiring, in the absence of a national emergency, that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

6. Legislature of the State of Texas, reaffirming its earlier call for an amendment to the Constitution of the United States requiring a balanced annual Federal budget; to the Committee on the Judiciary.

7. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their support of granting citizens of Washington, D.C., full representation in the U.S. Congress; to the Committee on the Judiciary.

8. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their support of measures before the Congress that authorize the use of the Spanish language in the Federal Court of Puerto Rico; to the Committee on the Judiciary.

9. Also, memorial of the House of Representatives of the Commonwealth of Puerto Rico, relative to congressional authorization of the use of the Spanish language in the Federal Court for the District of Puerto Rico; to the Committee on the Judiciary.

10. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to requesting the U.S. Government to declare an open-sky policy for the Commonwealth of the Northern Mariana Islands to the Committee on Public Works and Transportation.

11. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to expressing their appreciation to the U.S. Congress for disapproving a rider to H.R. 13511 which would have denied their residents of benefits under title XVI of the Social Security Act; to the Committee on Ways and Means.

SENATE—*Monday, January 15, 1979*

The 15th day of January being the day prescribed by Public Law 95-594, 95th Congress, 2d session, for the meeting of the 1st session of the 96th Congress, the Senate assembled in its Chamber at the Capitol at 12 o'clock meridian.

The VICE PRESIDENT. The Senate will come to order. The Chaplain will offer the prayer.

PRAYER

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

God of our fathers, God of history, God of the Scriptures, and God of inner experience, draw us together this day by our common loyalty to Thee. May the beginning day for some be a new beginning for all.

Keep us ever mindful of who we are, what our duties are, and the people who put us here. Lift our vision beyond ourselves and our party to the larger realm of our common humanity. Keep us true to truth and faithful to our best selves. Make us unashamed of old values and